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City of Dover

New Hampshire

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

CITY OF DOVER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2011

Prepared by:
The Finance Department

Daniel R. Lynch
Finance Director

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J. Michael Joyal, Jr.
City Manager

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City of Dover, New Hampshire OFFICE OF THE CITY MANAGER

January 30, 2012

To the Honorable Mayor and members of the City Council:

City Charter Section C6-12, Independent Audit, requires an annual independent audit of all City accounts at least annually. This Comprehensive Annual Financial Report (CAFR), including the opinion of the independent auditor, is published to fulfill that requirement for the fiscal year ending June 30, 2011.

The CAFR covers all funds of the City of Dover that by law, City Charter, or other fiduciary obligation, the City has become obligated to administer in connection with its responsibility providing services.

This report consists of the management's representations concerning the finances of the City of Dover. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making the representations, management has established comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Macdonald Page & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ending June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unqualified opinion that the

financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Users of this CAFR are encouraged to read this Letter of Transmittal in conjunction with the City's MD&A section found immediately following the report of the independent auditors.

Profile of Government

Geography. Dover, New Hampshire is located ten miles from the Atlantic Ocean in southern New Hampshire and is 48 miles south of Portland, Maine and 68 miles north of Boston, Massachusetts. Situated at the confluence of the Cochecho, Salmon Falls and Bellamy Rivers, Dover is a major New Hampshire industrial, employment, and distribution center for the seacoast. Dover provides a gateway to both the Maine coast and the White Mountains of New Hampshire. The City of Dover occupies an area of 29 square miles and serves a population of 29,987, based on the 2010 Census.

The City of Dover, settled in 1623, is the oldest continuous settlement in New Hampshire and the seventh oldest in the United States. It was incorporated on June 29, 1855. The City Charter adopted on March 9, 1977, remained in effect until a new charter was passed on November 8, 2005 and effective January 1, 2006. Only minor changes were made versus the old charter. On November 6, 2007, the charter was amended establishing a limitation on annual budget increases. On November 10, 2010 the New Hampshire Supreme Court ruled that the November 6, 2007 charter amendment is invalid since it is contrary to state law. In the 2011 session of the State legislature, authorization for municipalities to adopt charter amendments for budget or tax levy limitations was enacted. On November 8, 2011 the charter was amended to change the language establishing the limitation on annual budget increases to a limitation on annual property tax levy increases. Dover operates under the council-manager form of government. Dover is the seat of Strafford County.

Services. The City of Dover provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, sanitation services such as solid waste disposal and recycling, water distribution, wastewater collection and treatment, recreational and cultural events and education from kindergarten through grade 12 with a regional vocational center and alternative high school opportunities.

Governing Boards. The City Council, consisting of nine members, is the legislative body elected in non-partisan elections every two years, with one representative from each of six wards, two elected at-large and a Mayor. The City Council is responsible, among other things, for passing ordinances, adopting the annual budget, adopting a six year capital improvements program, adopting bond authorizations, appointing committees and boards, and hiring of the City Manager. The City of Dover is empowered by state statute to levy property taxes on real property located within its boundaries to fund operations.

The Dover School Department is a dependent school district. The City Council has bottom line appropriation authority for the School Department budget. The seven member Dover School Board is elected in non-partisan elections every two years and has authority to allocate and move appropriations within its budget.

Administration. Administrative functions are carried out by the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, compliance with State and Federal laws, for overseeing the day-to-day operations of the government, for appointing the heads of the various departments, for negotiating with the various bargaining units of the City and making recommendations to the City Council on various issues.

Administrative functions of the dependent School district are carried out by the School Board. The Board is responsible for carrying out policies and procedures, compliance with State and Federal laws, overseeing the day to day operations of the dependent School district, negotiating with the various bargaining units, making appointments of school personnel, establishing curriculum and addressing various issues.

Fiscal Year and Budget. The City's fiscal year begins on July 1st of each year and ends the following June 30th. The City's budget process commences in the fall of each year with the Capital Improvements Program budget. All capital spending of \$25,000 or more for items with useful lives of 3 years or longer are included in this budget. Based on City Council financing policy, items are identified for bonding, annual operating budget or other type of financing.

Items identified for the annual operating budget are included in the next City Manager's recommended annual budget. Departments are responsible for submitting their annual budget request to the City Manager. After reviews with the departments, the City Manager makes any final adjustments to his recommended budget. The City Manager's recommended annual budget for the next fiscal year,

which includes the School Board request, is due to the City Council by April 15th of each year.

The City Council may add to, or cut from, the Manager's recommended annual budget by majority vote; however, the City Council must pass the budget by June 15th after separate public hearings for the City and School budgets and the budget becomes effective July 1. If the City Council does not adopt the budget by June 15th, the City Manager's recommended budget takes effect July 1.

After the original budget is adopted, the City Manager may make appropriation transfers within a non-school department or transfer between non-school departments with City Council approval. After initial adoption, the City Council may amend the budget by two-thirds vote.

Factors Affecting Financial Condition

Local Economy. The local economic environment over the past fiscal year has declined slightly in specific sectors including heavy manufacturing and commercial construction. A variety of services in architectural, cleaning, fitness, and general retail areas have experienced negative growth. Economic Development activity continues to support existing business retention with some success despite the continued loss of critically important credit and financing availability for local small businesses.

Through vigorous business relocation outreach coupled with stringent municipal spending restraint and wage freezes in the City's operations coupled with the approval of five Economic Revitalization Zone Districts have successfully brought thirty-five new/ expanded businesses and 425 new jobs to Dover.

The expanding healthcare industry in the City, its proximity to UNH, Pease Tradeport, and the Portsmouth Shipyard have continued to add stability and diversity to the economic mix and has kept unemployment in Dover well below that of New Hampshire, New England, and the surrounding communities as well as the Nation. Becoming the fastest growing city in New Hampshire has helped Dover statistics as well.

New Hampshire's GDP and labor force in moderate decline since 2008, has now stabilized to some degree. At the conclusion of the 2011 fiscal year, the labor force of Dover has continued to grow about 1% per year with minor variations below and above the trend line.

Dover's local unemployment rate is currently 4.8% which is 0.4% lower than this time last year. The seasonally adjusted unemployment rate, consistently lower than that of the U.S. (9.1%) and the State of New Hampshire (5.2%), was unchanged at the end of fiscal year 2011. The national unemployment rate decreased by 0.2% in the same period.

In combination with the current economic environment and unemployment levels, the median household income in Dover decreased by an estimated 2% from \$63,033 in FY10 to \$61,680 in FY11.

The number of motor vehicle permits increased to 29,280 in FY11 as compared to 28,334 in FY 10. The number of building permits decreased from 396 in FY10 to 358 in FY11 and the average permit value decreased from \$73,795 to \$55,440. Despite a slowing in residential development in Dover and across the country, commercial property development has continued at a slow pace throughout the year.

Although the residential development has slowed somewhat, the City saw moderate commercial growth during fiscal year 2011. Planning efforts have continued in anticipation of future residential and multi-use development projects being undertaken. Changes to land use regulations have been put in place to encourage both community character as well as streamline the regulations and remove obstacles to context sensitive development.

Residential sales continue to decline but are stabilizing as low mortgage rates and declining prices (now up slightly) are somewhat offset by more stringent down payment and credit quality requirements from lenders. Foreclosed properties continue to add to the unsold housing inventory on the market. The decline in sales has affected the number of residential projects coming before the Planning Board. Projects now tend to be smaller and more market specific than in recent years.

Some commercial development has begun, heavily weighted in the rehabilitation sector. Some new construction projects have begun as financing options permit.

Hospitality industry development exists in proximity to the Liberty Mutual and Measured Progress campuses at the northern edge of the City. Current occupancy rates are marginal.

The Exit 9 location on the Spaulding Turnpike has continued to enjoy development activity. The 100,000 sq. ft. medical practices building has reached full occupancy and a new dental group building will initiate construction shortly.

In the downtown city core, the Children's Museum of New Hampshire continues to attract approximately 130,000 visitors annually to Dover bringing added vibrancy, customer traffic, and new dollars to downtown businesses and restaurants. Recently, there has been development of retail space within the Cochecho Falls Mill across the street from the Museum. This development shows the potential growth in retail uses along the Washington Street Corridor.

To further expand the downtown, the City has taken advantage of rezoning efforts in 2009 to create a more flexible and innovative development environment through the addition of the Form Based Code style of zoning. This zoning encourages mixed uses, and places a higher emphasis on height, massing and placement of a building than on the uses contained within the building. To date the Planning Board has reviewed one project, a forty-eight (48) unit residential project consisting of two

buildings along School Street. These units will have dramatic views of the waterfront and will be sold to individual owners.

The integration of the Dover waterfront redevelopment into the downtown continues with the opening of the Washington Street Bridge and upgrade of the River Street Pump station. These additions coupled with the continued work of Dickenson Development to engineer and ultimately permit the portion of privately financed project includes commitments to construct high end residential condominium units, more than 30,000 square feet of new retail and office space, boating facilities and a restaurant along the riverfront.

In the Enterprise Park, one new relocation candidate company is considering available parcels owned by DBIDA and another is purchasing a DBIDA owned building it currently leases. The purchase of the Cochecho Falls Mill by a mill developer is pending and expected to bring 60 apartments to the downtown core. Efforts are also underway to develop City core infill projects to four City-owned parking lots along with a public parking garage.

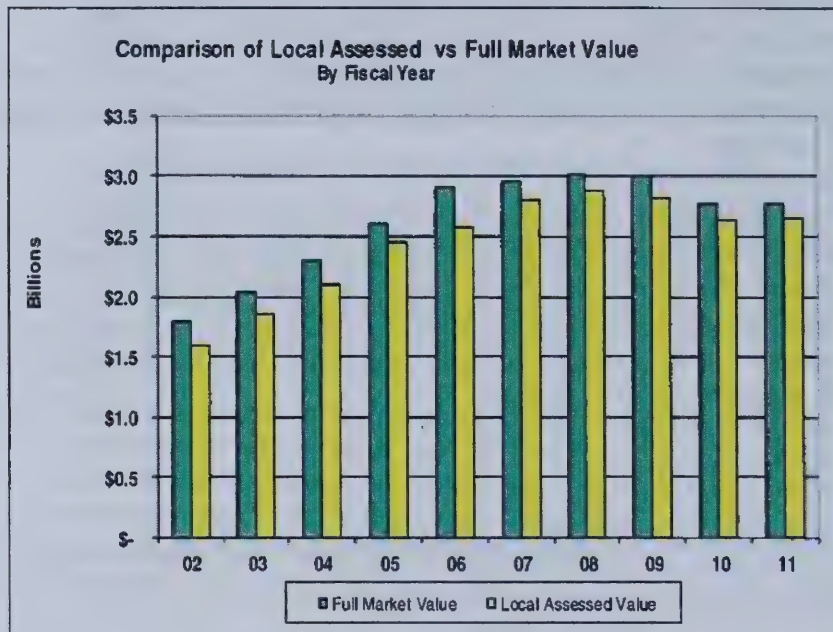
The City's full value property tax rate remained stable in comparison to the NH State median. The median reflects the mid-point of all rates in the State. Because Dover remains approximately at the median, this means that about half of the tax rates in the State are higher than Dover's and about half are lower. This is a good measure of tax burden as all municipal assessed values are brought to full market value and tax rates equalized.



The recent trends in the national credit market continue to impact real estate activity throughout New England. While New Hampshire and Dover, in particular, are not immune, the level of increase in real estate transactions during the past year has been relatively small. The real estate sales activity in Dover for FY11 was 740 transactions versus 689 for FY10. This level of activity represents transfers of 7.5% of taxable parcels during FY11 up slightly from 7.0% in FY10. In conjunction with this activity, the number of taxable parcels increased from 9,825 in FY10 to 9,899 in FY11, a less than 1.0% increase. This increase in taxable parcels in combination

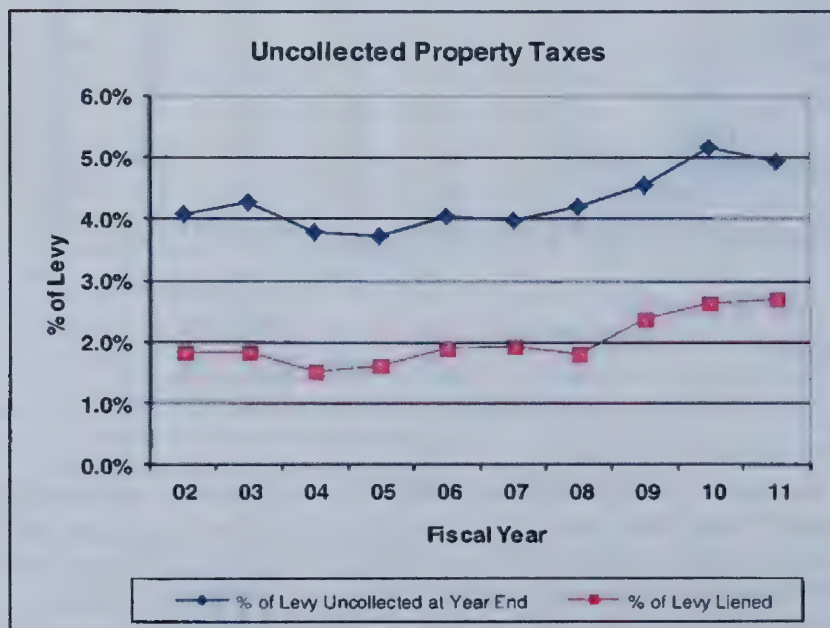
with a stabilization of property values has resulted in the equalized property value per capita changing from \$92,554 for FY10 to \$92,051 in FY11, a decrease of less than 1% for the fiscal year.

Full market value as determined by the NH Department of Revenue Administration



increased 0.1% during the fiscal year.

Assessed value as a ratio of full market value was 95.5%. In the second half of fiscal year 2011 the City's assessed property values appeared to be demonstrating stabilization in values based on sales data. As of April 1, 2011 the City's overall assessed values demonstrated a .67% decrease in value over the prior year.



The percentage of uncollected taxes for the current tax levy at the end of fiscal year 2011 decreased slightly to 4.9% as compared to 5.2% in FY10 (actual amount decreasing from \$3.1 million to \$3.0 million). There were 366 parcels from the current tax levy with outstanding taxes that had a lien placed, down from 417 last year. The number of delinquent parcels

decreased by 49 or 1.2%, however, the dollar amount of the liens increased slightly to 2.7% of the tax levy as compared to 2.6% for last year. The actual amount of the executed lien increased 4.7% from \$ 1,568,381 to \$1,641,606.

Financial Position. The City's General Fund ended Fiscal Year 2011 with an increase to its Unassigned Fund Balance of \$464,733 to \$5.94 million.

The General Fund unassigned fund balance at June 30, 2011 was 6.84% of the FY12 budget (8% is the minimum requirement of the City Financial Policies). The Water Fund

saw an increase in unrestricted net assets of \$2.13 million, from \$1,070,952 to \$3,205,197. The Water Fund increase is primarily due to operating income of \$1.7 million. The Sewer Fund saw an increase in unrestricted net assets of \$1.27 million, from \$2,060,818 to \$3,327,964. A significant portion of the increase in unrestricted net assets of the Sewer Fund is the result of \$1.1 million in reimbursements being received from the State Revolving Loan Program for the River Street Pump Station and Wastewater Treatment Facility Aeration Blower projects which are collectively \$2.1million in Construction in Progress at year end.

Unreserved Net Assets		
Fund	FY11	FY10
General	5,941,993	5,477,269
Water	3,205,197	1,070,952
Sewer	3,327,964	2,060,818
Total	12,475,154	8,609,039

In FY 2009 the Arena Fund was dissolved into the City's General Fund. The City continues efforts to balance the fiscal operations of the Arena, including scheduled fee increases and expenditure control.

The liquidity of the General, Water and Sewer Funds is good and continues to show a favorable trend. This is based on the quick ratio which is a measure of current assets (excluding inventories) divided by current liabilities. The General Fund had a quick ratio of 1.42 with Water and Sewer Funds of 4.71 and 2.20, respectively. A ratio of 1 is considered satisfactory.

The amount of debt incurred by the City remains below the State statutory limits as set forth in RSA 33:4-a for the City and School District, and RSA 33:5-a for the Water Fund. There is no statutory debt limit for the Sewer Fund. The State statutory limit for the City is 3% of Base valuation as determined by the New Hampshire Department of Revenue Administration (NH DRA), the statutory limit for the School District is 7% of Base valuation as determined by NH DRA, and the statutory limit for the Water Fund is 10% of base valuation as determined by NH DRA. As of June 30, 2011 the City had utilized 54.5% of its statutory debt limit, the School District utilized 14.7% of its statutory debt limit, and the Water Fund had utilized 5.2% of its statutory debt limit.

The City Council established self-imposed policy limits that are significantly lower than those set by State statute. As of June 30, 2011 the percent of the City's more conservative debt policy used was 83.9%, the School was 52.7%. General Fund net debt per capita is at \$2,277, an amount considered reasonable for a municipality the size of Dover. The General Fund's net debt to equalized value is 2.45%. The General Fund's net debt service as a percent of budget is 10.5%. Although this measure is higher than the 10% recommended by policy, it is partially as a result of a higher rate of debt pay down resulting in a favorable reduction in the cost for debt.

The Water fund is at 100% of the City Council self-imposed policy limit. The Sewer fund remained within the City Council self-imposed policy limits with 28.9% being utilized. Net debt service to budget in the Water Fund is 31.1% and 20.2% within the Sewer Fund, within the 40% set by policy.

In 2010 Moody's reaffirmed the City's A1 rating and in May 2010 Moody's recalibrated the City's rating from the Municipal Rating Scale to the Global Rating Scale which resulted in the City's current rating of Aa2. Standard & Poor's reaffirmed their AA rating of the City in 2010. In fiscal year 2011 there were no changes to the City's credit ratings.

Policy Monitoring, Long Term Financial Planning, and Responding to the Impact of the U.S. Economic Decline

In 1996 the City Council, through the recommendation of an Ad Hoc Financial Planning Committee, adopted a comprehensive set of 12 City Financial Policies. These 12 policies addressed 6 major financial goals: Maintenance of Fund Reserves, Capital Improvements Program, Debt Management, Cash Management, Management of Enterprise Funds, and Budget Management. The City Council identified that various operational, financial and economic conditions had changed over the course of 14 years, and the recent decline of the national and state economy, necessitated the need to review and update the financial policies to ensure continuing improvement and sustaining of the City's financial health over the long term. On January 13, 2010 the City Council initiated the review and update process by establishing an Ad-hoc committee. The committee reported back to the City Council on March 16, 2011 recommending the adoption of 32 financial policies. On April 27, 2011 the City Council adopted a resolution to implement the 32 recommended financial policies. These adopted policies include maintaining all of the existing policy statements of 1996 with updates to several of the benchmark indices. In addition, several new policy statements are also included in the recommendations reflecting the most current best practices identified by the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting. These financial policies address areas such as Stabilization Funds, Fees and Charges, Debt Issuance and Management, Use of One-Time and Unpredictable Revenues, Balanced Budgeting Practices, Revenue Diversification, and Contingency Planning. A copy of the financial policies adopted by the City Council is available on the City's website.

The City Council routinely adopts fiscal initiatives to respond to the changes in the economy that have resulted in impacts such as declines to non-property tax revenues and the community's tolerance for tax increases. The City Council has limited adoption of bonding authorizations to be consistent with the annual amount of debt being retired by the City's tax supported General Fund. The objective of this initiative is to move the City away from recurring debt financing and funding capital reserves at an appropriate level to move from debt financing certain capital outlay.

The City Manager, with the concurrence of the City Council, directed departments to reduce expenditures in FY2011 to counter-balance both expected revenue shortfalls and increases in certain costs, while ensuring that operations resulted in a General Fund balance that is consistent with increasing the unassigned balance to 8% as prescribed by policy.

The City Administration conducts an on-going evaluation of fiscal operations to insure that expenditures are managed in concert with revenues to insure General Fund Balance is maintained consistent with City policy limit.

The City recognizes the importance of a formal process for long term financial planning and forecasting. The City has procured a formal forecasting software application to aid in financial planning. The City has populated the software with the necessary data and has utilized this tool to provide insight to evaluating policy recommendations. The software is utilized to provide formal fiscal forecasting reports complete with national, regional, and local economic overviews, and a 5-year projection of both General Fund operations and tax levy impacts as part of the budget process.

Acknowledgements

This report continues to refine the financial reporting of the City. It is the eighth year the City has produced a comprehensive annual financial report (CAFR). This report includes the implementation of Governmental Accounting Standards Board's Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. An actuarially determined liability of the City cost of medical benefits provided to retirees, and employees that will be eligible to receive such benefits upon retirement of the City, is incorporated into the financial statements and the footnotes.

This report also includes the implementation of Governmental Accounting Standards Board's Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective of Statement 54 is to improve the usefulness and understandability of governmental fund balance information by providing fund balance in more clearly defined categories.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded seven consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Dover, NH for its Comprehensive Annual Financial Report beginning for the fiscal year ended June 30, 2004 through June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

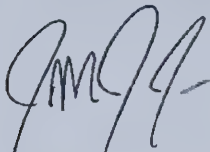
This recognizes the City's Finance Department's efforts for full disclosure of the financial information of the City. A CAFR is a much more detailed reporting of the

City's finances, as well as providing historical information in the statistical section of this report.

The Certificate of Achievement is valid for a period of one year only. The City believes that the current CAFR continues to meet the Certificate of Achievement Programs' requirement and it will be submitted to the Government Finance Officer's Association to determine its eligibility for another certificate.

The publication of the CAFR requires many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department. Credit must also be given to the Mayor and City Council for their continued support of the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

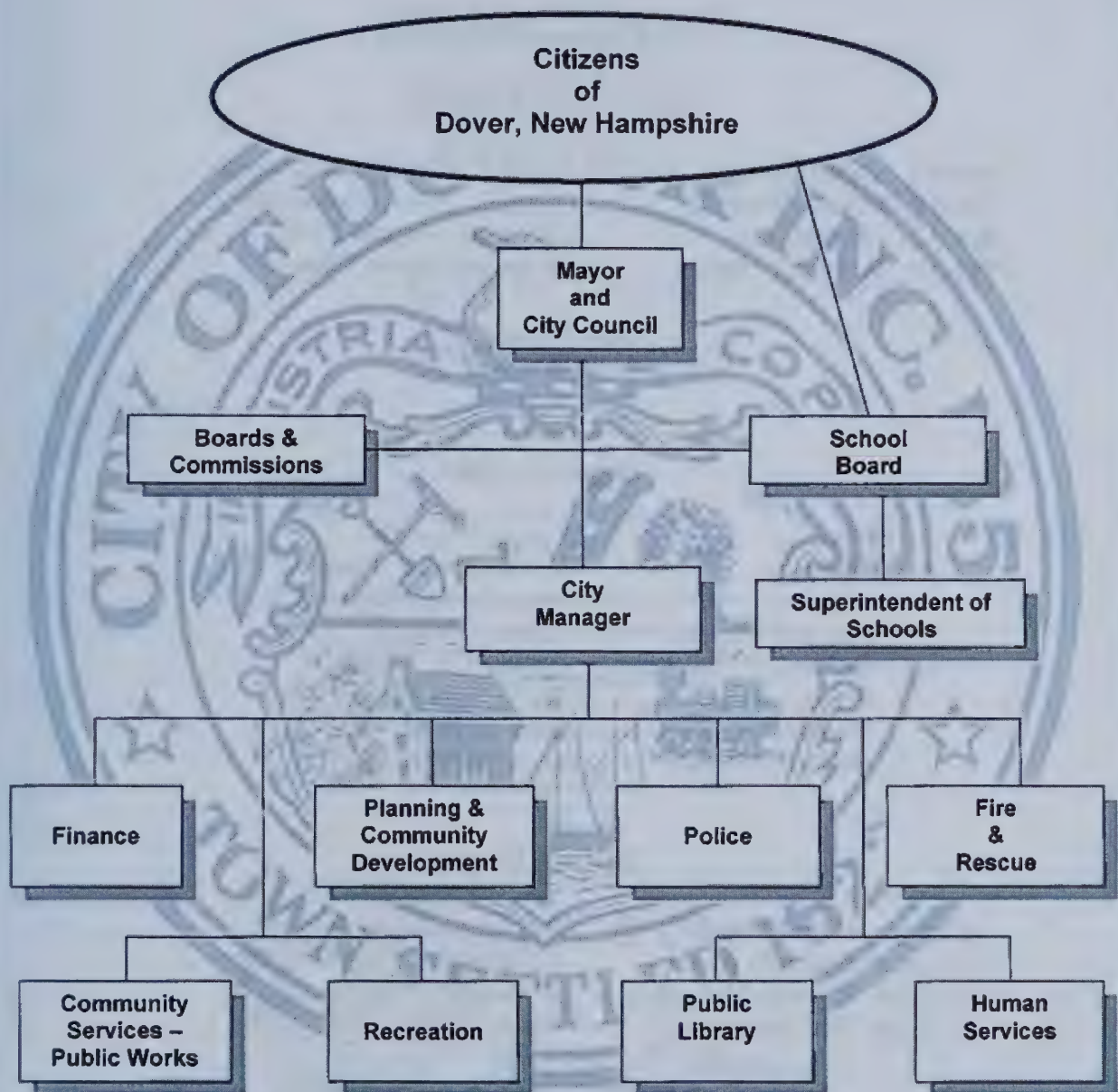
A handwritten signature in black ink, appearing to read "JMJ", with a stylized flourish at the end.

J. Michael Joyal, Jr.
City Manager

A handwritten signature in black ink, reading "Daniel R. Lynch" in a cursive script.

Daniel R. Lynch
Finance Director

City of Dover Organizational Chart





City of Dover

New Hampshire

FISCAL YEAR 2011

City Council Members

Mayor: Dean Trefethen

Ward 1: Robert Carrier
Ward 2: William Garrison
Ward 3: Jan Nedelka
Ward 4: Dorothea Hooper

Ward 5: Catherine Cheney
Ward 6: Gina Cruikshank
At Large: Dennis Ciotti
At Large: Karen Weston

City Manager

J. Michael Joyal, Jr.

Departments

Finance
Planning
Police
Fire and Rescue
Community Services
Public Library
Recreation
Human Services

Daniel R. Lynch
Christopher G. Parker
Anthony F. Colarusso, Jr.
Richard Driscoll
Douglas W. Steele, II
Cathy Beaudoin
Gary Bannon
Lena C. Nichols

School Board

At Large: Beth Setear
At Large: Kenneth Appel
At Large: Carolyn Mebert
At Large: Matt Mayberry

At Large: Audra Lurvey
At Large: Robert McCrory
At Large: Doris Grady
Student Rep: April Theth

Superintendent of Schools

Jean Briggs Badger

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dover
New Hampshire

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Enen

Executive Director

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FINANCIAL SECTION

Independent Auditors' Report

To the Mayor and City Council
City of Dover, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Dover's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2012 on our consideration of the City of Dover's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 19 - 32, and Schedule of Funding Progress on page 77, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Dover, New Hampshire's financial statements as a whole. The introductory section on pages 1 - 14, supplementary statements and schedules on pages 85 - 133, and statistical tables on pages 136 - 161, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Macdonald Page & Co LLC

South Portland, Maine
January 30, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Dover, we offer readers this narrative overview and analysis of the financial activities of the City of Dover for the fiscal year ended June 30, 2011. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$140,043,921 (i.e., net assets), an increase of \$6,262,112 in comparison to the prior year.
- As of the close of the current fiscal year, total of assets of governmental activities exceeded liabilities by \$81,791,211 (i.e., net assets), an increase of \$5,702,893 in comparison to the prior year.
- At the end of the current year, total assets of business-type activities exceeded their liabilities by \$58,252,710, an increase of \$559,219 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$18,856,583, a decrease of \$7,656,715 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,941,993, an increase of \$464,733 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$93,728,598, a decrease of \$9,744,662 in comparison to the prior year.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Dover's basic financial statements. The basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or

decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities include water and sewer utilities, and Dover Business and Industrial Development Authority (DBIDA) activities.

Fund financial statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Annual appropriated budgets are adopted for the general fund and certain nonmajor governmental funds. Budgetary comparison statements have been provided for both funds to demonstrate compliance with these budgets.

Proprietary funds Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water and sewer utilities, and DBIDA operations. The operations of the arena were previously accounted for as an enterprise fund. In FY 2009 the City dissolved the Arena Fund into the General Fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Internal service funds are used to account for central data processing, fleet management services, and workers compensation administration and claims, provided to other departments on the cost reimbursement basis. In FY2011 the City established an OPEB internal service fund to centrally account for pay-as-you go retirees' insurance costs paid by other departments in the city.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utilities, and DBIDA operations, all of which are considered to be major funds. The operations of the arena were previously reported as a propriety fund. In FY 2009 the City dissolved the Arena Fund into the General Fund.

In fiscal year 2010 the City changed the accounting in the DBIDA Fund for a building lease. The lease was formerly accounted for as a capital lease and starting in FY2010 the lease is reported as an operating lease. This resulted in capitalizing a building and related land improvements.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by the *Governmental Accounting Standards Board*.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$140,043,921, an increase of \$6,262,112 from the prior year.

Financial Position The following is a summary of condensed government-wide financial data of net assets for the current and the prior fiscal years.

NET ASSETS						
Amounts presented in 000s						
	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Current and Other Assets	\$ 38,310	\$ 31,959	\$ 15,707	\$ 14,431	\$ 54,017	\$ 46,390
Capital Assets	145,943	152,029	67,765	67,740	213,708	219,769
Total Assets	\$ 184,253	\$ 183,988	\$ 83,472	\$ 82,171	\$ 267,725	\$ 266,159
Long-term Liabilities	\$ 100,518	\$ 93,487	\$ 25,038	\$ 22,190	\$ 125,556	\$ 115,677
Other Liabilities	7,649	8,710	740	1,728	8,389	10,438
Total Liabilities	\$ 108,167	\$ 102,197	\$ 25,778	\$ 23,918	\$ 133,945	\$ 126,115
Net Assets:						
Invested in Capital Assets	\$ 80,025	\$ 84,864	\$ 48,634	\$ 50,765	\$ 128,659	\$ 135,629
Restricted	357	3,756	6,692	1,694	7,049	5,450
Unrestricted	(4,296)	(6,829)	2,368	5,794	(1,928)	(1,035)
Total Net Assets	\$ 76,086	\$ 81,791	\$ 57,694	\$ 58,253	\$ 133,780	\$ 140,044

By far, the largest portion of net assets, \$135,629,390 or 96.8 percent, reflects our investment in capital assets (e.g., land, buildings, machinery and equipment), less depreciation and any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets \$5,450,448 represents resources that are subject to external restrictions on how they may be used. The remaining net balance (deficit) represents unrestricted net assets at the end of the fiscal year of \$(1,035,917).

The unrestricted net asset balance consists of a deficit of \$6,828,784 for governmental activities and a balance of \$5,792,867 for business-type activities. The governmental activities net assets include the reflection of major liabilities of the Tolend Road Landfill mitigation of \$2,558,379, compensated absences of \$3,166,953 and other post employment benefits (OPEB) obligations of \$14,652,520.

The \$2,558,379 for Tolend Road Landfill mitigation represents the mitigation costs and the post mitigation maintenance and monitoring costs. This is a decrease of \$2,710,455 from the prior year. The decrease in the liability is reduced by expenditures incurred from available bond proceeds. In FY 2009 the City financed \$3,900,000 of the remaining landfill liability through long-term debt, of which the unexpended portion of proceeds is included in the Tolend Road Landfill Closure Fund fund balance of \$199,692, as of June 30, 2011. The City anticipates the remaining liability for mitigation costs to be financed with long-term debt which is included in the City's Capital Improvements Program. The maintenance and monitoring costs are expected to be financed within the annual operating budget, as needed.

The \$3,166,953 for compensated absences represents the accrued employee leave benefits, payable as taken or at termination. This is an increase of \$136,484 from the prior year. The City has funded \$277,083 of the liability.

The \$14,652,520 OPEB liability represents the implementation of Governmental Accounting Standards Board (GASB) Statement No. 45. The purpose of the statement is to reflect the liability of health care or other post employment benefits provided to separated or retired employees. The portion of the liability reflected in the Financial Statements is the initial five years of a 30 year amortization of the total liability. City employees hired before specific dates may receive all or part of their health care benefits paid for by the City. City employees hired after the cut-off date are eligible on a self pay basis only but impact the premiums of the health plans of all City employees. School employees are self pay basis only but impact the premiums of the health plans of all School employees. The table below shows the number of eligible individuals involved in the calculation for both the City and School and the average total liability.

Group	Eligible Employees and Retirees	Average Total Liability per Person
City	\$ 315.00	\$ 128,424.00
School	\$ 406.00	\$ 4,231.00
Combined	\$ 721.00	\$ 132,655.00

Please refer to the Financial Statement footnote 17 and Required Supplemental Information for more on the OPEB liability.

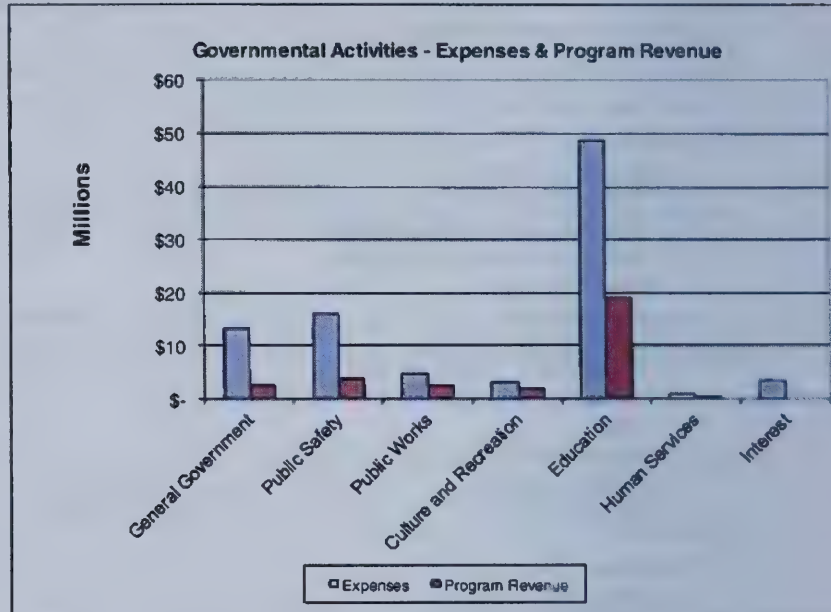
Financial Results The following is a summary of condensed government-wide financial data of changes in net assets for the current fiscal and prior fiscal years.

<u>CHANGE IN NET ASSETS</u>						
Amounts presented in 000s						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2010	2011	2010	2011	2010	2011
Revenues:						
Program revenues:						
Charges for services	\$ 13,903	\$ 14,141	\$ 8,102	\$ 9,347	\$ 22,005	\$ 23,488
Operating grants and contributions	18,092	15,095	-	-	18,092	15,095
Capital grants and contributions	905	719	135	78	1,040	797
General revenues:						
Property taxes	60,266	61,573	-	-	60,266	61,573
Motor vehicle registration	3,568	3,533	-	-	3,568	3,533
Penalties and interest on taxes	307	358	-	-	307	358
Investment income	(106)	720	146	7	40	727
Other	207	99	-	-	207	99
Loss on sale of capital asset	-	-	-	-	-	-
Extraordinary Item	-	-	-	-	-	-
Total Revenues	97,142	96,238	8,383	9,432	105,525	105,670
Expenses:						
General government	10,514	13,154	-	-	10,514	13,154
Public safety	17,405	16,052	-	-	17,405	16,052
Public works	11,922	4,882	-	-	11,922	4,882
Culture and recreation	3,498	3,313	-	-	3,498	3,313
Education	45,268	48,790	-	-	45,268	48,790
Human services	862	813	-	-	862	813
Intergovernmental	-	-	-	-	-	-
Interest on long-term debt	3,288	3,449	1,060	940	4,348	4,389
Miscellaneous	-	-	-	-	-	-
Water operations (1)	-	-	3,301	2,969	3,301	2,969
Sewer operations (1)	-	-	4,934	4,848	4,934	4,848
DBIDA operations	-	-	177	198	177	198
Total Expenses	92,757	90,453	9,472	8,955	102,229	99,408
Change in Net Assets before Transfers	4,385	5,785	(1,089)	477	3,296	6,262
Transfers in (out)	(130)	(82)	130	82	-	-
Change in Net Assets	4,255	5,703	(959)	559	3,296	6,262
Net Assets - beginning of year	71,833	76,088	58,652	57,694	130,486	133,782
Net Assets - end of year	\$ 76,088	\$ 81,791	\$ 57,693	\$ 58,253	\$ 133,782	\$ 140,044

(1) Excludes interest on long-term debt reflected separately.

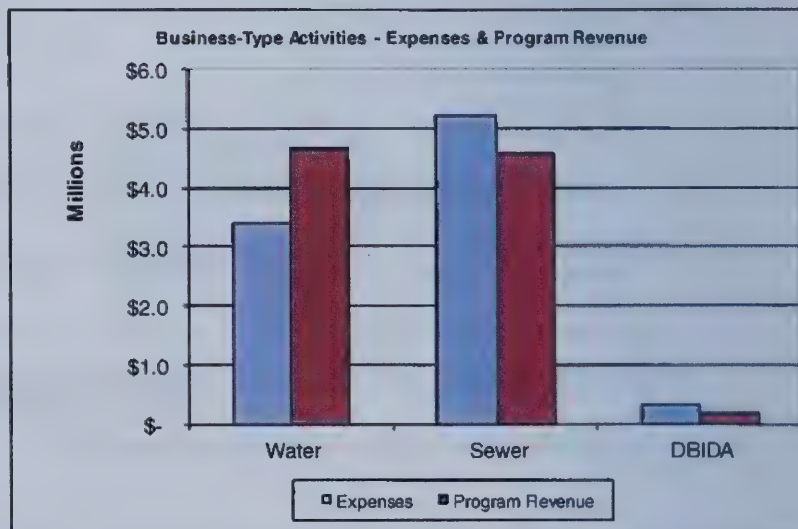
Governmental activities Governmental activities for the year resulted in an increase in net assets of \$5,702,893. Governmental activities realized the following significant transactions:

- General Fund excess of revenues over expenditures of \$1.78 million.
- Acquisition of capital assets of \$11.9 million.
- An increase in the OPEB Liability of \$2.2 million.
- Debt service principal payments in excess of depreciation expense of \$1.1 million.



Business-Type Activities Business-type activities for the year resulted in an increase in net assets of \$559,219 or 1.0%. Key elements of this change are as follows:

- The Water Fund increased net assets by \$1.2 million or 6.4%. This consists mainly of operating activities resulting in income of \$1.7 million.
- The Sewer Fund had a decrease in net assets of \$645,051 or 1.7%. This consists mainly of depreciation expense exceeding debt service principal payments by \$148,879; and an operating loss of \$341,478.



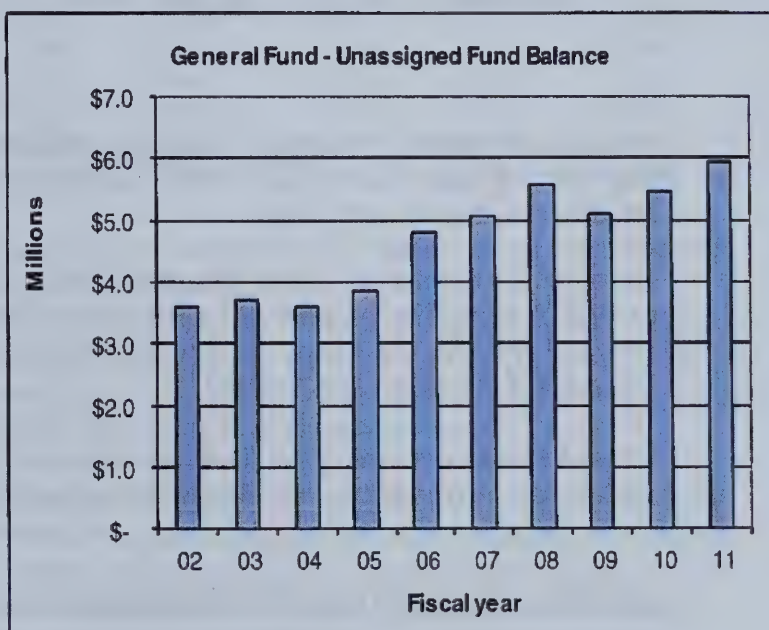
D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$18,856,583, a decrease of \$7,656,715 in comparison with the prior year. The General Fund change consists of an increase in the unassigned fund balance of \$467,997 and a decrease in committed and assigned balances of \$51,991.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,941,993, while total fund balance was \$8,410,891. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 7.07 percent of total general fund expenditures, while total fund balance represents 10.01 percent of that same amount.



The unassigned fund balance of the general fund increased by \$467,997, or 8.5%, during the current fiscal year. Key factors in this change are as follows:

- A net increase to fund balance of \$616,591 from excess of revenues and other sources over expenditures and other uses, consisting of \$1,149,846 of revenues under budget estimates and \$1,766,437 of expenditures under budget estimates. Due to current economic conditions and lower interest rates, revenue shortfalls consist mainly of \$66,798 in motor vehicle

registration fees, \$182,975 in sales and service charges, \$87,277 in recreation charges and \$48,003 in investment income revenue. Unencumbered appropriations consisted mainly of \$447,655 for General Government, \$200,913 for Public Works, \$238,403 for Culture and Recreation, and \$100,904 for Debt Service Interest. The School Department unencumbered appropriations of \$772,843 offset a shortfall of \$842,115 in education revenue, due mainly to a loss in Tuition revenue.

- A decrease to fund balance of \$357,886 for an increase in deferred property tax revenue.
- An increase to fund balance of \$202,575 for the decrease in the reserve for advances to the McConnell Center Fund.
- An increase to fund balance of \$363,087 for a decrease of carryover appropriations reserved for future years capital outlay. In accordance with City Charter, capital outlay appropriations shall continue in force for three years or until the purpose for which the appropriation was made has been completed, whichever time period is shorter.

Proprietary funds Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to \$5,792,867. This amount consists of the Water Fund of \$3,205,197, the Sewer Fund of \$3,327,964, and the Dover Business and Industrial Development Fund (DBIDA) deficit of \$740,294.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget resulted in an overall increase in appropriations of \$302,619. This consists of City Council adopted appropriations of \$383,000 for compensated absences and \$47,873 for abatements, offset by a decrease of \$128,254 for intergovernmental payment to the county.

The increase in appropriations for compensated absences was in direct response to an unforeseen increase in employee retirements that resulted in \$305,774 being paid for accrued leave time.

Unspent General Fund appropriations were due to several factors including a self-imposed reduction in expenditures and a year-end level of under-expenditures (including transfers) of approximately 1.2%.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets Capital assets for governmental and business-type activities at year-end amounted to \$219,768,439 (net of accumulated depreciation), an increase of approximately \$6,059,909 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment. The following yearly comparison shows net fixed assets by category:

Capital Assets (000s) (net of depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	2010	2011	2010	2011	2010	2011
Land	\$ 14,169	\$ 14,169	\$ 1,990	\$ 1,990	\$ 16,159	\$ 16,159
Buildings and improvements	70,905	70,457	21,546	20,729	92,451	91,186
Machinery and equipment	9,812	10,068	3,738	3,523	13,550	13,591
Infrastructure	25,148	27,232	37,824	37,862	62,972	65,094
Construction in Progress	25,909	30,102	2,667	3,636	28,576	33,738
Total Assets	\$ 145,943	\$ 152,028	\$ 67,765	\$ 67,740	\$ 213,708	\$ 219,768

Major capital asset events during the current fiscal year included the following:

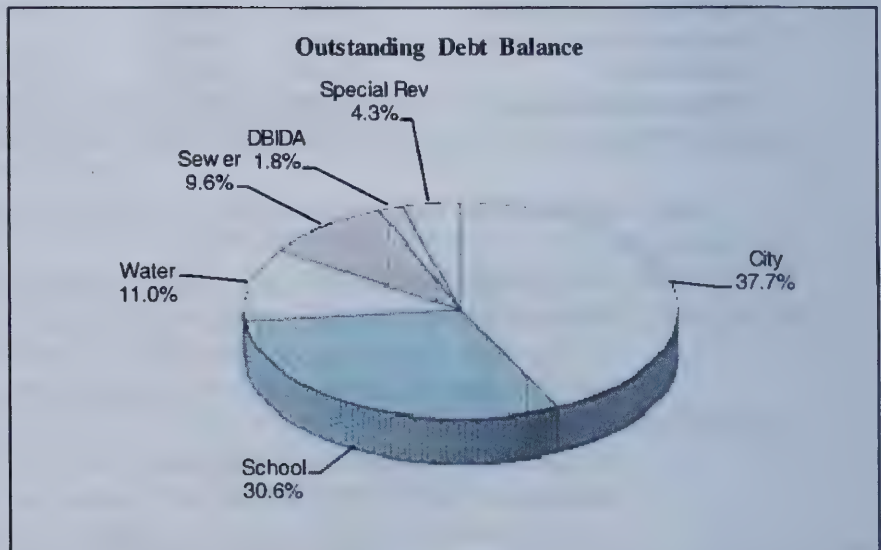
- The increase to Building and improvements of the governmental activities relates mainly to energy efficiency improvements of \$459,341 performed at City Hall, Ice Arena and McConnell Center. These additions were offset by depreciation on older buildings and improvements.
- There were additions to Machinery and Equipment of the governmental activities of \$383,389 for Fire and Rescue apparatus, \$40,678 for police cruisers and \$224,006 for the acquisition of Public Works Heavy vehicles. There was an addition of \$480,186 for parking pay and display meters. These additions were offset by depreciation on older equipment.
- The governmental activities infrastructure change includes an addition of \$2.5 million in street improvement projects, \$600,590 for construction of transportation improvement projects and \$272,569 for Cochecho Riverbank stabilization. These additions were offset by depreciation on older infrastructure.
- The governmental activities construction in progress relates mainly to \$13,729,064 for the Tolend Road Landfill hazardous landfill mitigation project, \$3,584,780 for the Cochecho River Dredge Cell project,

\$4,149,060 for Horne Street School improvements, \$4,139,956 Washington Street – Cochecho River Bridge, \$1,740,510 for Energy Conservation Improvements, and \$1,344,429 for Street Improvements.

- There were additions to business-type activities infrastructure improvements of \$1.6 million consisting mainly of \$1.0 million for water main improvements, wellhead protection and water exploration.
- There was \$3.6 million of business-type activities construction in progress at the end of the year mainly related to the Sewer Fund of \$1.9 million for River Street Pump Station and \$1.1 million for other Sewer infrastructure improvements. In the Water Fund construction in progress at the end of year consisted of \$382,776 for North End Pressure Zone and \$165,586 for Route 9 Bridge water main.

Additional information on capital assets can be found in Note 9 of the Financial Statements.

Long-term debt At the end of the current fiscal year, total long-term debt outstanding was \$93,728,598, a net decrease of \$9,744,662 over the previous fiscal year end. All the long term debt was backed by the full faith and credit of the City except for the balance of an FY06 Dover Business and Industrial Development Authority flow through loan to a private firm from the



New Hampshire Business Finance Authority of \$1,694,772. The Business Finance Authority loan is secured by a mortgage deed on property located in Enterprise Park.

Long-term Debt (000s)

	Governmental Activities		Business-Type Activities		Totals	
	2010	2011	2010	2011	2010	2011
General Obligation Bonds	\$ 79,134	\$ 72,238	\$ 22,239	\$ 19,292	\$ 101,373	\$ 91,530
Other Long Term Debt	339	504	1,761	1,695	2,100	2,199
Total Long-term Debt	\$ 79,473	\$ 72,742	\$ 24,000	\$ 20,987	\$ 103,473	\$ 93,729

On February 7, 2011 the City obtained a \$250,000 loan from the New Hampshire Community Development Finance Authority to finance energy efficiency improvements at the City's Ice Arena. The loan's interest rate is set at a fixed rate of 2.47% and matures in 2021.

In June 2010 the City advance refunded the March 15, 2001 general obligation bonds to reduce its total debt service payments over the next 10 years by almost \$548,726 and to obtain an economic gain of \$529,603 representing the difference between the present values of the debt service payments on the old and new debt. The proceeds from the new issuance were used to purchase U.S. Government securities, which were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds matured in June 2011. The City has not outstanding deferred debt obligations as of June 30, 2011.

Additional information on long term debt can be found in Note 13 of the Financial Statements.

G. NEXT YEAR'S BUDGETS AND RATES

The budget, tax levies and tax rates of the General Fund for the subsequent fiscal year have been formalized. The following table reflects the budget amounts, at the time of tax rate setting, for each year for the General Fund.

General Fund Budget	FY11	FY12	Increase (Decrease)	% Change
City	32,834,893	34,153,922	1,319,029	4.0%
School	44,714,121	45,714,121	1,000,000	2.2%
County	7,161,525	7,051,080	(110,445)	-1.5%
Total Budget	84,710,539	86,919,123	2,208,584	2.6%

The following table reflects the property tax levy amounts for each year.

Property Tax Levies	FY11	FY12	Increase (Decrease)	% Change
City	22,592,315	24,047,953	1,455,638	6.4%
School - Local	24,944,661	26,608,346	1,663,685	6.7%
School - State	6,558,455	6,389,999	(168,456)	-2.6%
Total School	31,503,116	32,998,345	1,495,229	4.7%
County	7,033,271	7,303,817	270,546	3.8%
Total Tax Levy	61,128,702	64,350,115	3,221,413	5.3%

The following table reflects the property tax rates for each year. The tax rate is stated per \$1,000 of assessed value.

Property Tax Rates	FY11	FY12	Increase (Decrease)	% Change
City	8.93	9.54	0.61	6.8%
School - Local	9.57	10.26	0.69	7.2%
School - State	2.55	2.50	(0.05)	-2.0%
Total School	12.12	12.76	0.64	5.3%
County	2.70	2.82	0.12	4.4%
Total Tax Rate	23.75	25.12	1.37	5.8%

The budget and user fees of the utility funds for the subsequent fiscal year have been formalized. The following table reflects the original adopted budget amounts for each year for the Water and Sewer Funds.

Utility Funds	FY11	FY12	Increase (Decrease)	% Change
Water Fund	4,241,115	4,336,199	95,084	2.2%
Sewer Fund	5,959,529	6,139,408	179,879	3.0%
Total Utility Funds	10,200,644	10,475,607	274,963	2.7%

The following table reflects the utility rates per one hundred cubic feet (HCF) of water consumption for each year. (1 HCF = 748 gallons)

Utility Rates	FY11	FY12	Increase (Decrease)	% Change
Water Fund	3.93	3.98	0.05	1.3%
Sewer Fund	5.04	5.45	0.41	8.1%
Combined Rates	8.97	9.43	0.46	5.1%

Discussions of other financial and economic factors are included in the Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dover's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director, City of Dover
Municipal Building
288 Central Avenue
Dover, New Hampshire 03820

The City of Dover's web site contains additional financial information at:

www.dover.nh.gov

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Statement of Net Assets

June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	\$ 23,599,753	\$ 6,476,850	\$ 30,076,603
Investments	2,785,688		2,785,688
Receivables, net of allowance for uncollectibles:			
Property taxes	4,195,132		4,195,132
User fees		2,920,570	2,920,570
Departmental and other	858,698		858,698
Intergovernmental	2,038,799	863,775	2,902,574
Internal balances	(2,343,480)	2,343,480	
Inventory	105,972	399,440	505,412
Other assets	141,411		141,411
Total current assets	<u>31,381,973</u>	<u>13,004,115</u>	<u>44,386,088</u>
Noncurrent:			
Intergovernmental receivables, net		170,165	170,165
Loans receivable, net	577,618		577,618
Investment in land		1,256,731	1,256,731
Capital assets:			
Land and construction in progress	44,272,187	5,604,996	49,877,183
Capital assets, net of accumulated depreciation	<u>107,756,449</u>	<u>62,134,807</u>	<u>169,891,256</u>
Total non-current assets	<u>152,606,254</u>	<u>69,166,699</u>	<u>221,772,953</u>
Total Assets	\$ <u>183,988,227</u>	\$ <u>82,170,814</u>	\$ <u>266,159,041</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Current:			
Accounts payable	\$ 1,139,766	\$ 335,565	\$ 1,475,331
Accrued liabilities	4,402,804	148,683	4,551,487
Retainage payable	677,844	174,959	852,803
Due to fiduciary funds	1,611,657		1,611,657
Unearned revenue		1,068,935	1,068,935
Other current liabilities	886,764		886,764
Current portion of long-term liabilities:			
Claims liability	217,216		217,216
Bonds and loans payable	6,809,037	2,806,364	9,615,401
Compensated absences	<u>95,274</u>	<u>17,000</u>	<u>112,274</u>
Total current liabilities	<u>15,840,362</u>	<u>4,551,506</u>	<u>20,391,868</u>
Noncurrent:			
Claims liability, net of current portion	140,788		140,788
Bonds and loans payable, net of current portion	65,933,288	18,179,909	84,113,197
Compensated absences, net of current portion	3,071,679	139,641	3,211,320
Other post-employment benefits liability	14,652,520	1,047,048	15,699,568
Liability for hazardous waste-site cleanup	<u>2,558,379</u>		<u>2,558,379</u>
Total non-current liabilities	<u>86,356,654</u>	<u>19,366,598</u>	<u>105,723,252</u>
Total Liabilities	<u>102,197,016</u>	<u>23,918,104</u>	<u>126,115,120</u>
Net Assets			
Invested in capital assets, net of related debt	84,864,320	50,765,070	135,629,390
Restricted for:			
Nonexpendable trust principal	1,800,179		1,800,179
Expendable trust principal	205,845		205,845
Debt service		1,694,773	1,694,773
City and school department grants and projects	1,749,651		1,749,651
Unrestricted (Deficit)	<u>(6,828,784)</u>	<u>5,792,867</u>	<u>(1,035,917)</u>
Total Net Assets	<u>81,791,211</u>	<u>58,252,710</u>	<u>140,043,921</u>
Total Liabilities and Net Assets	\$ <u>183,988,227</u>	\$ <u>82,170,814</u>	\$ <u>266,159,041</u>

Statement of Activities

For the Year Ended June 30, 2011

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 13,154,062	\$ 1,631,363	\$ 823,181	
Public safety	16,052,207	2,339,389	1,426,100	
Public works	4,881,919	1,817,936	50,866	\$ 709,438
Culture and recreation	3,313,255	1,757,855	30,518	
Education	48,789,847	6,379,842	12,746,525	
Human services	813,196	214,171	17,672	10,053
Interest	3,448,823			
Total Governmental Activities	90,453,309	14,140,556	15,094,862	719,491
Business-Type Activities:				
Water services	3,414,368	4,671,077		
Sewer services	5,227,382	4,506,884		77,679
DBIDA services	312,954	168,854		
Total Business-Type Activities	8,954,704	9,346,815		77,679
Total	\$ 99,408,013	\$ 23,487,371	\$ 15,094,862	\$ 797,170

General Revenues:

Property tax
 Motor vehicle registration tax
 Penalties and interest
 Unrestricted investment earnings
 Other revenue
 Transfers in (out)

Total general revenues

Change in Net Assets

Net Assets:

Beginning of year

End of year

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business- Type Activities	Total
\$ (10,699,518)		\$ (10,699,518)
(12,286,718)		(12,286,718)
(2,303,679)		(2,303,679)
(1,524,882)		(1,524,882)
(29,663,480)		(29,663,480)
(571,300)		(571,300)
<u>(3,448,823)</u>		<u>(3,448,823)</u>
<u>(60,498,400)</u>		<u>(60,498,400)</u>
	\$ 1,256,709	1,256,709
	(642,819)	(642,819)
	<u>(144,100)</u>	<u>(144,100)</u>
	<u>469,790</u>	<u>469,790</u>
<u>(60,498,400)</u>	<u>469,790</u>	<u>(60,028,610)</u>
61,572,865		61,572,865
3,533,202		3,533,202
358,594		358,594
719,992	7,309	727,301
98,760		98,760
<u>(82,120)</u>	<u>82,120</u>	<u></u>
<u>66,201,293</u>	<u>89,429</u>	<u>66,290,722</u>
5,702,893	559,219	6,262,112
<u>76,088,318</u>	<u>57,693,491</u>	<u>133,781,809</u>
<u>\$ 81,791,211</u>	<u>\$ 58,252,710</u>	<u>\$ 140,043,921</u>

Governmental Funds**Balance Sheet**

June 30, 2011

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and short-term investments	\$ 21,303,908	\$ 2,295,845	\$ 23,599,753
Investments		2,785,688	2,785,688
Receivables, net of allowance for uncollectibles:			
Taxes	4,195,132		4,195,132
Departmental and other	565,390	977,068	1,542,458
Intergovernmental	246,634	1,054,336	1,300,970
Loans		577,618	577,618
Due from other funds		10,236,198	10,236,198
Advances to other funds	626,278		626,278
Inventory	3,821	46,513	50,334
Other assets	15,109		15,109
Total Assets	<u>\$ 26,956,272</u>	<u>\$ 17,973,266</u>	<u>\$ 44,929,538</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 270,239	\$ 826,948	\$ 1,097,187
Accrued liabilities	3,755,478	333,146	4,088,624
Retainage payable	12,010	665,834	677,844
Deferred revenues	2,664,972	583,977	3,248,949
Due to other funds	10,903,350	4,491,391	15,394,741
Advances from other fund		626,278	626,278
Compensated absences	51,749		51,749
Other liabilities	887,583		887,583
Total Liabilities	<u>18,545,381</u>	<u>7,527,574</u>	<u>26,072,955</u>
Fund Balances:			
Nonspendable	3,821	1,846,692	1,850,513
Restricted		7,600,660	7,600,660
Committed	806,786	3,871,627	4,678,413
Assigned	1,658,291		1,658,291
Unassigned	5,941,993	(2,873,287)	3,068,706
Total Fund Balances	<u>8,410,891</u>	<u>10,445,692</u>	<u>18,856,583</u>
Total Liabilities and Fund Balances	<u>\$ 26,956,272</u>	<u>\$ 17,973,266</u>	<u>\$ 44,929,538</u>

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities in the Statement of Net Assets

June 30, 2011

Total governmental fund balances	\$ 18,856,583
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	152,028,636
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	3,249,766
• Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.	998,999
• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(317,870)
• Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(72,742,325)
Compensated absences	(3,071,679)
Liability for hazardous waste-site cleanup	(2,558,379)
Other Post-Employment Benefits (OPEB) liability	<u>(14,652,520)</u>
Net assets of governmental activities	\$ <u>81,791,211</u>

Governmental Funds**Statement of Revenues, Expenditures and Changes
in Fund Balances**

For the Year Ended June 30, 2011

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 61,423,333	\$ 186,297	\$ 61,609,630
Licenses and permits	4,365,496	340,529	4,706,025
Intergovernmental	2,890,931	5,778,844	8,669,775
Current services	2,853,210	4,836,292	7,689,502
Education	12,856,890		12,856,890
Miscellaneous	289,266	1,102,948	1,392,214
Total Revenues	<u>84,679,126</u>	<u>12,244,910</u>	<u>96,924,036</u>
Expenditures:			
Current:			
General government	4,216,767	332,575	4,549,342
Public safety	12,653,659	2,629,299	15,282,958
Public works	5,115,274	6,746,932	11,862,206
Culture and recreation	3,034,671	724,474	3,759,145
Education	40,029,006	9,642,890	49,671,896
Human services	783,832	437,156	1,220,988
Intergovernmental - County tax	7,033,271		7,033,271
Debt service	10,032,502	406,394	10,438,896
Total Expenditures	<u>82,898,982</u>	<u>20,919,720</u>	<u>103,818,702</u>
Revenues over (under) expenditures	<u>1,780,144</u>	<u>(8,674,810)</u>	<u>(6,894,666)</u>
Other Financing Sources (Uses):			
Bond proceeds		250,000	250,000
Transfers in	578,650	934,439	1,513,089
Transfers out	(2,525,138)		(2,525,138)
Total Other Financing Sources (Uses)	<u>(1,946,488)</u>	<u>1,184,439</u>	<u>(762,049)</u>
Net change in fund balances	(166,344)	(7,490,371)	(7,656,715)
Fund Balances, at Beginning of Year, as Restated	<u>8,577,235</u>	<u>17,936,063</u>	<u>26,513,298</u>
Fund Balances, at End of Year	<u>\$ 8,410,891</u>	<u>\$ 10,445,692</u>	<u>\$ 18,856,583</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2011

Net Changes in Fund Balances - Total Governmental Funds	\$ (7,656,715)
<ul style="list-style-type: none"> Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <ul style="list-style-type: none"> Capital outlay purchases 11,934,296 Depreciation (5,849,807) Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differ between the two statements. This amount represents the net change in deferred revenue. 406,132 The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets: <ul style="list-style-type: none"> Proceeds from debt issued (250,000) Repayments of debt 6,980,746 In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 17,554 Some expenses reported in the Statement of Activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds: <ul style="list-style-type: none"> Increase in liability for compensated absences (114,841) Decrease in liability for hazardous waste-site cleanup 2,710,455 Increase in OPEB liability (2,233,218) Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The net activity of internal service funds is reported with Governmental Activities. (241,709) 	
Changes in Net Assets of Governmental Activities	\$ 5,702,893

Statement of Revenues and Other Financing Sources, and Expenditures and Other Financing Uses - Budget and Actual - General Fund

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Other Sources:				
Taxes	\$ 61,225,048	\$ 61,446,112	\$ 61,423,334	\$ (22,778)
Licenses and permits	4,144,410	4,094,410	4,369,315	274,905
Intergovernmental	2,013,884	2,012,439	1,987,115	(25,324)
Current services	3,179,278	3,179,278	2,752,120	(427,158)
Education	13,211,006	13,211,006	12,368,891	(842,115)
Miscellaneous	639,132	389,132	383,888	(5,244)
Transfers	297,781	680,781	578,649	(102,132)
Total Revenues	<u>84,710,539</u>	<u>85,013,158</u>	<u>83,863,312</u>	<u>(1,149,846)</u>
Expenditures and Other Uses:				
General Government				
City Council	315,739	311,644	242,004	69,640
Executive	792,952	797,047	737,000	60,047
Finance	1,454,047	1,454,047	1,396,940	57,107
Planning	432,644	432,644	428,195	4,449
Miscellaneous general government	1,576,973	2,007,846	1,751,434	256,412
Total General Government	<u>4,572,355</u>	<u>5,003,228</u>	<u>4,555,573</u>	<u>447,655</u>
Public Safety				
Police	6,368,421	6,123,421	6,119,396	4,025
Fire	6,361,128	6,687,128	6,686,086	1,042
Total Public Safety	<u>12,729,549</u>	<u>12,810,549</u>	<u>12,805,482</u>	<u>5,067</u>
Community Services - Public Works	<u>5,248,083</u>	<u>5,161,082</u>	<u>4,960,169</u>	<u>200,913</u>
Culture and Recreation				
Recreation	2,310,441	2,230,441	2,040,988	189,453
Public Library	1,055,592	1,055,592	1,006,642	48,950
Total Culture and Recreation	<u>3,366,033</u>	<u>3,286,033</u>	<u>3,047,630</u>	<u>238,403</u>
Human Services	<u>700,473</u>	<u>786,473</u>	<u>785,821</u>	<u>652</u>
Education	<u>40,468,900</u>	<u>40,553,900</u>	<u>39,781,057</u>	<u>772,843</u>
Debt Service				
Principal	6,724,495	6,724,496	6,724,496	
Interest	3,493,913	3,408,913	3,308,009	100,904
Total Debt Service	<u>10,218,408</u>	<u>10,133,409</u>	<u>10,032,505</u>	<u>100,904</u>
Intergovernmental - County tax	<u>7,161,525</u>	<u>7,033,271</u>	<u>7,033,271</u>	
Transfers	<u>245,213</u>	<u>245,213</u>	<u>245,213</u>	
Total Expenditures	<u>84,710,539</u>	<u>85,013,158</u>	<u>83,246,721</u>	<u>1,766,437</u>
Revenues and other sources under expenditures and other uses	\$ -	\$ -	\$ 616,591	\$ 616,591

Proprietary Funds**Statement of Net Assets**

June 30, 2011

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	DBIDA Fund	Total	Internal Service Funds
ASSETS					
Current:					
Cash and short-term investments	\$ 3,300,143	\$ 3,170,263	\$ 6,444	\$ 6,476,850	
User fees, net of allowance for uncollectibles					
Billed	441,723	489,082		930,805	
Unbilled	966,207	1,023,558		1,989,765	
Departmental and other receivables					\$ 54,069
Intergovernmental receivables		863,775		863,775	
Due from other funds	1,030,468	1,593,588		2,624,056	1,203,406
Prepaid expenses					126,302
Inventory	307,423	92,017		399,440	55,638
Total current assets	<u>6,045,964</u>	<u>7,232,283</u>	<u>6,444</u>	<u>13,284,691</u>	<u>1,439,415</u>
Noncurrent:					
Investment in land			1,256,731	1,256,731	
Intergovernmental receivable		170,165		170,165	
Capital assets:					
Land and construction in progress	1,198,965	4,201,031	205,000	5,604,996	
Other capital assets, net of accumulated depreciation	<u>24,138,424</u>	<u>36,275,482</u>	<u>1,720,901</u>	<u>62,134,807</u>	
Total noncurrent assets	<u>25,337,389</u>	<u>40,646,678</u>	<u>3,182,632</u>	<u>69,166,699</u>	
Total Assets	<u>31,383,353</u>	<u>47,878,961</u>	<u>3,189,076</u>	<u>82,451,390</u>	<u>1,439,415</u>
LIABILITIES					
Current:					
Accounts payable	114,012	220,357	1,196	335,565	30,373
Accrued liabilities	119,092	23,088	6,503	148,683	8,514
Retainage payable	23,662	151,297		174,959	
Unearned revenue	10,320	1,043,404	15,211	1,068,935	
Due to other funds			280,576	280,576	
Current portion of long-term liabilities:					
Claims liability					217,216
Bonds payable	946,000	1,789,500	70,864	2,806,364	
Compensated absences	5,000	12,000		17,000	43,525
Total current liabilities	<u>1,218,086</u>	<u>3,239,646</u>	<u>374,350</u>	<u>4,832,082</u>	<u>299,628</u>
Noncurrent:					
Claims liability, net of current portion					140,788
Bonds payable, net of current portion	9,388,000	7,168,000	1,623,909	18,179,909	
Compensated absences	51,729	82,702	5,210	139,641	
OPEB liability	624,834	422,214		1,047,048	
Total noncurrent liabilities	<u>10,064,563</u>	<u>7,672,916</u>	<u>1,629,119</u>	<u>19,366,598</u>	<u>140,788</u>
Total Liabilities	<u>11,282,649</u>	<u>10,912,562</u>	<u>2,003,469</u>	<u>24,198,680</u>	<u>440,416</u>
NET ASSETS					
Invested in capital assets, net of related debt	16,895,507	33,638,435	231,128	50,765,070	
Restricted for debt service			1,694,773	1,694,773	
Restricted for capital outlay					157,674
Unrestricted (deficit)	<u>3,205,197</u>	<u>3,327,964</u>	<u>(740,294)</u>	<u>5,792,867</u>	<u>841,325</u>
Total Net Assets	<u>\$ 20,100,704</u>	<u>\$ 36,966,399</u>	<u>\$ 1,185,607</u>	<u>\$ 58,252,710</u>	<u>\$ 998,999</u>

Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Assets

For the Year Ended June 30, 2011

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	DBIDA Fund	Total	
Operating Revenues:					
Charges for services	\$ 4,221,145	\$ 4,327,615		\$ 8,548,760	\$ 1,265,392
Investment fees	67,801	121,738		189,539	
Other revenue	382,131	57,531	\$ 168,854	608,516	321,138
Total Operating Revenues	<u>4,671,077</u>	<u>4,506,884</u>	<u>168,854</u>	<u>9,346,815</u>	<u>1,586,530</u>
Operating Expenses:					
Personal services	1,224,051	1,479,957	102,238	2,806,246	1,709,878
Purchased services	260,320	276,024	34,661	571,005	581,789
Supplies	516,647	810,321	4,457	1,331,425	197,073
Minor equipment	66,243	48,258		114,501	30,856
Depreciation	741,785	2,006,379	55,496	2,803,660	
Other expenses	160,448	227,423	380	388,251	238,572
Total Operating Expenses	<u>2,969,494</u>	<u>4,848,362</u>	<u>197,232</u>	<u>8,015,088</u>	<u>2,758,168</u>
Operating Income (Loss)	<u>1,701,583</u>	<u>(341,478)</u>	<u>(28,378)</u>	<u>1,331,727</u>	<u>(1,171,638)</u>
Nonoperating Revenues (Expenses):					
Investment income	3,714	3,589	6	7,309	
Interest expense	(444,874)	(379,020)	(115,722)	(939,616)	
Total Nonoperating Revenues (Expenses), Net	<u>(441,160)</u>	<u>(375,431)</u>	<u>(115,716)</u>	<u>(932,307)</u>	
Transfers in (out)	(42,059)	(5,821)	130,000	82,120	929,929
Capital Contributions		77,679		77,679	
Change in Net Assets	<u>1,218,364</u>	<u>(645,051)</u>	<u>(14,094)</u>	<u>559,219</u>	<u>(241,709)</u>
Net Assets at Beginning of Year	<u>18,882,340</u>	<u>37,611,450</u>	<u>1,199,701</u>	<u>57,693,491</u>	<u>1,240,708</u>
Net Assets at End of Year	<u>\$ 20,100,704</u>	<u>\$ 36,966,399</u>	<u>\$ 1,185,607</u>	<u>\$ 58,252,710</u>	<u>\$ 998,999</u>

Proprietary Funds**Statement of Cash Flows**

For the Year Ended June 30, 2011

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	DBIDA Fund	Total	
Cash Flows From Operating Activities:					
Receipts from customers and users for services	\$ 3,984,458	\$ 5,928,348		\$ 9,912,806	\$ 1,584,692
Receipts from customers and users for investment fees	449,932	179,269	\$ 174,525	803,726	
Payments to vendors and contractors	(919,560)	(1,414,265)	(38,706)	(2,372,531)	(1,933,363)
Payments of employee salaries and benefits	(1,153,625)	(1,600,925)	(104,580)	(2,859,130)	(724,174)
Receipts for interfund service provided	628,824	1,252,371	100,901	1,982,096	142,916
Payments for interfund service provided					
Net Change in Operating Activities	<u>2,990,029</u>	<u>4,344,798</u>	<u>132,140</u>	<u>7,466,967</u>	<u>(929,929)</u>
Cash Flows From Noncapital Financing Activities:					
Transfers in			130,000	130,000	955,453
Transfers out	(42,062)	(5,821)		(47,883)	(25,524)
Net Change in Noncapital Financing Activities	<u>(42,062)</u>	<u>(5,821)</u>	<u>130,000</u>	<u>82,117</u>	<u>929,929</u>
Cash Flows From Capital and Related Financing Activities:					
Purchases of capital assets and land for investment	(1,023,093)	(1,755,136)	(1)	(2,778,230)	
Capital contributions - federal and state grants		77,679		77,679	
Principal payments on bonds and notes	(1,010,000)	(1,857,500)	(146,416)	(3,013,916)	
Interest expense	(444,874)	(379,020)	(115,722)	(939,616)	
Net Change in Capital and Related Financing Activities	<u>(2,477,967)</u>	<u>(3,913,977)</u>	<u>(262,139)</u>	<u>(6,654,083)</u>	<u>-</u>
Cash Flows From Investing Activities:					
Investment income	3,714	3,589	6	7,309	
Net Change in Investing Activities	<u>3,714</u>	<u>3,589</u>	<u>6</u>	<u>7,309</u>	<u>-</u>
Net Change in Cash and Short-Term Investments	<u>473,714</u>	<u>428,589</u>	<u>7</u>	<u>902,310</u>	
Cash and Short-Term Investments, Beginning of Year	<u>2,826,429</u>	<u>2,741,674</u>	<u>6,437</u>	<u>5,574,540</u>	
Cash and Short-Term Investments, End of Year	<u>\$ 3,300,143</u>	<u>\$ 3,170,263</u>	<u>\$ 6,444</u>	<u>\$ 6,476,850</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Change in Operating Activities:					
Operating income (loss)	\$ 1,701,583	\$ (341,478)	\$ (28,378)	\$ 1,331,727	\$ (1,171,638)
Adjustments to reconcile operating income (loss) to net change in operating activities:					
Depreciation	741,785	2,008,379	55,496	2,803,660	
Changes in assets and liabilities:					
User fees	(247,007)	(314,245)		(561,252)	
Inventory	(84,128)	(30,239)		(114,367)	(8,841)
Departmental and other receivables		871,574		871,574	(1,838)
Interfund receivables and payables	628,824	1,252,371	100,901	1,982,096	142,916
Other assets					84,392
Accounts payable	68,640	(85,000)	792	(15,568)	(5,171)
Accrued liabilities	70,117	(119,194)	(1,183)	(50,260)	23,235
Unearned revenue	10,320	1,043,404	5,671	1,059,395	
Retainage payable	3,924	(9,622)		(5,698)	
Compensated absences	309	(1,774)	(1,159)	(2,624)	7,016
OPEB liability	95,662	72,622		168,284	
Net Change in Operating Activities	<u>\$ 2,990,029</u>	<u>\$ 4,344,798</u>	<u>\$ 132,140</u>	<u>\$ 7,466,967</u>	<u>\$ (929,929)</u>

Fiduciary Funds

Statement of Fiduciary Net Assets

June 30, 2011

	Agency Funds	Private Purpose Trust Funds
ASSETS		
Cash and short term investments	\$ 247,960	
Due from other funds	870,474	\$ 741,183
Total Assets	<u>1,118,434</u>	<u>741,183</u>
LIABILITIES AND NET ASSETS		
Other liabilities	1,118,434	
Total Liabilities	<u>1,118,434</u>	<u>-</u>
NET ASSETS		
Total Net Assets Held in Trust	\$ <u>-</u>	\$ <u>741,183</u>

Fiduciary Funds

Statement of Changes in Fiduciary Net Assets

For the Year Ended June 30, 2011

	Private Purpose Trust Funds
Additions:	
Investment earnings	\$ 55,011
Total	<u>55,011</u>
Deductions:	
Disbursements by agent	<u>26,664</u>
Total deductions	<u>26,664</u>
Net increase	28,347
Net Assets:	
Beginning of year	<u>712,836</u>
End of year	<u>\$ 741,183</u>

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Dover, New Hampshire (the City/Government) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

Reporting Entity

The government is a municipal corporation governed by an elected mayor, eight-member council and an appointed City Manager. As required by generally accepted accounting principles, these financial statements present the government and any applicable component units for which the government is considered to be financially accountable. In fiscal year 2011, it was determined that no entities met the required GASB-39 criteria of component units.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Financial Statements

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental fund:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

The government reports the following major proprietary funds:

- The Water Fund accounts for the operation of a water treatment plant, city wells and water system
- The Sewer Fund accounts for the operation of a sewer treatment plant, pumping station and sewer lines.
- The Dover Business and Industrial Development Authority Fund (DBIDA) accounts for the economic development projects of the DBIDA, which operates under RSA 162-G.

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Financial Statements – Continued

Additionally, the government reports the following fund type:

- Internal service funds account for data processing, fleet management services, workers compensation administration and claims, and OPEB expenses provided to other departments on the cost reimbursement basis.

Fiduciary funds employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds. Agency funds, however, only report assets and liabilities, and thus have no measurement focus. The government also reports the following fiduciary funds:

- The Private-Purpose Trust Funds are used to account for trust arrangements, under which principal and investment income exclusively benefit individuals, private organizations, or other governments. Private Purpose Trust Funds held by the City include trust arrangements for Cemetery general care, Parks & Recreation program scholarships, Welfare benefits, and School scholarships.

Agency funds account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others. Agency funds held by the City include the Chamber of Commerce, Performance Bonds, Department Agency, and School Agency.

As a general rule and per the City's policy, the effect of interfund activity has been eliminated from the government-wide financial statements. The reimbursements from other funds included in internal service funds revenue are eliminated on the government-wide level to remove the "doubling up" effect of internal service activity.

Cash and Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The New Hampshire Public Deposit Investment Pool (NHPDIP) operates in accordance with appropriate state laws and regulations and is under the control of the New Hampshire Banking Commission. The reported value of the pool is the same as the fair value of the pool shares. Participation units of the NHPDIP are considered short-term for financial presentation purposes.

Investments are considered holdings of greater than three months and are reported at fair value.

City Funds

Under New Hampshire RSA 48:16, the City Treasurer may invest excess funds which are not immediately needed for the purpose of expenditure, in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the state of New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws of the state of New Hampshire or in banks recognized by the state treasurer. At least yearly, the City Council shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Trust Funds

Under New Hampshire RSA 34:5, capital reserve funds of the City shall be invested only by deposit in some savings banks or in the savings department of a national bank or trust company, or in the shares of a cooperative bank, building and loan association, or federal savings and loan association, in this state or in bonds, notes or other obligations of the United States government, in bonds or notes of this state, in such stocks and bonds as are legal for investment by New Hampshire savings banks, or in participation units in the public deposit investment pool established pursuant to RSA 383:22 by the trustees of the trust funds.

Under New Hampshire RSA 31:27, the city trustees of trust funds may establish, maintain and operate one or more common trust funds, in which may be combined money and property belonging to the various trusts in their care, for the purpose of facilitating investments, providing diversification and obtaining reasonable income; provided, however, that said common trust funds shall be limited to the investments authorized in RSA 31:25; provided further, that not more than \$10,000 or more than 10 percent of the fund whichever is greater of any town or city common trust funds shall be invested under RSA 31:25 in the obligations of any one corporation or organization, excepting deposits in any federally or state-chartered bank or association authorized to engage in a banking business in this state, in credit unions in this state, or in obligations of the United States and of the state of New Hampshire and its subdivisions; or in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in shares of open-ended mutual funds selected by the trustees for investment under RSA 31:25.

Under New Hampshire RSA 31:25, at least yearly, the trustees of trust funds shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve accounting applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Inventories

Inventories are valued at the lower of cost or market using the first-in/first-out (FIFO) method. The costs of inventories is recorded as an expense when consumed rather than when purchased.

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No interest was capitalized during 2011.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 – 40 years
Building improvements	40 years
Building systems	15 – 24 years
Infrastructure	20 – 40 years
Water/sewer infrastructure	24 – 50 years
Vehicles	8 – 15 years
Office equipment	7 – 20 years
Computer equipment	5 – 10 years
Land improvements	15 – 20 years
Machinery and equipment	5 – 15 years
Books and collections	5 years

Compensated Absences

Depending on the union, employees may be compensated for unused amounts of sick leave earned prior to June 30, 1993, ranging from 25% to 75% of accumulated time. Effective June 30, 1993, all non-education employees are awarded sick leave at a rate of 10 days per year, which lapses at year end. Employees earn vacation leave as they provide services. Employees may carry over earned vacation days with some limitations (usually sixty days) and use compensatory time for unused balances upon termination with some limitations, usually 30 days.

All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

During fiscal year 2002, the City began funding the current vested portion of vacation and sick time for non-enterprise fund employees by establishing a capital reserve fund. The balance in the fund as of June 30, 2011 was \$277,083. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

Fund Balances

During 2011 the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In the governmental fund financial statements fund balance is reported in five classifications.

Nonspendable fund balance	Nonspendable fund balance represent fund balance amounts that are not in spendable form, such as inventories and prepaid items or are legally or contractually required to be maintained intact.
Restricted	Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
Committed	Resources which are subject to limitations the government imposes upon itself at its highest level of design making, and that remain binding unless removed in the same manner.
Assigned	Resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or a body or official to which the City Council has delegated the authority to assign amounts for specific purposes.
Unassigned	Resources which cannot be properly classified in one of the other four categories. The General Fund should be the only fund that reports a positive unassigned fund balance amount. When fund balance is negative the amount is reported as unassigned.

The City's fund balance policy establishes that an amount equal to at least 8% of the City's most recent approved operating budget shall be established as a minimum unassigned fund balance.

The City has no formal revenue spending policy for programs with multiple revenue sources. The Finance Officer uses resources in the following hierarchy unless otherwise directed by Statute or Council: bond proceeds, federal funds and State funds, local non-city funds, city funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City Manager submits his proposed operating budget to the City Council on or before April 15th. The operating budget includes proposed expenditures and the means of financing them. Annual budgets are legally adopted for the following funds: general, parking activity, residential solid waste, library fines, tuition programs, school alternative education, school facilities, McConnell Center, police DHA and school cafeteria. Proprietary funds with annually adopted budgets are water and sewer funds. Public hearings are conducted to obtain comments on the proposed budget. The final budget must be adopted by June 15th, but not earlier than seven days after a public hearing. A separate public hearing is held on the portion of the budget submitted by the School Board.

The City Manager may transfer budgeted amounts within each non-school Department without City Council approval. The City Manager may transfer budgeted amounts between non-school Departments only after obtaining approval from the Council. The Superintendent of the School Department may transfer budgeted amounts within the Department as needed. The City Council may, after public hearings, appropriate additional amounts. The City Council must designate the source of such funds except for emergency situations. All unencumbered appropriations, except those for capital expenditures or dedicated funds, lapse at the end of the fiscal year. Appropriation for capital expenditures remains in force for three years or until their purpose has been accomplished or abandoned.

Budgetary Basis

The General Fund's final appropriation appearing on the Budget and Actual page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the general and special revenue funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and various special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

Notes to Financial Statements

June 30, 2011

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

	Revenues and other financing sources	Expenditures and other financing uses	Revenues and other financing sources over (under) expenditures and other financing uses
General Fund			
Revenues/expenditures (GAAP basis)	\$84,679,126	\$82,898,982	\$ 1,780,144
Other financing sources/uses (GAAP basis)	578,650	2,525,138	(1,946,488)
	<u>85,257,776</u>	<u>85,424,120</u>	<u>(166,344)</u>
Reverse beginning of year appropriation carryforwards from expenditures		(719,686)	719,686
Reverse on-behalf payments	(1,391,817)	(1,391,817)	
Add end of year appropriation carryforwards to expenditures		941,993	(941,993)
Less expenditures from reserves and carryovers		(690,880)	690,880
Reserve accounts included in the General Fund for GAAP	(901)	(305,774)	304,873
Other adjustments	<u>(1,746)</u>	<u>(11,235)</u>	<u>9,489</u>
Budgetary Basis	<u>\$83,863,312</u>	<u>\$83,246,721</u>	<u>\$ 616,591</u>

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

Nonmajor Governmental Funds	
Special Revenue Funds	
School facilities	\$ (49,761)
Internal Services Funds	
Fleet maintenance	\$ (11,587)

Notes to Financial Statements

June 30, 2011

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

Deficit Fund Equity

The individual projects within the following funds had deficits as of June 30, 2011:

Nonmajor Govenmental funds		
Special Revenue Funds:		
Community Development	\$ (280,904)	(A)
DOE Energy Efficiency	(143,080)	(A)
Police DOJ	(79,904)	(A)
DHHS Assistance Programs	(39,573)	(A)
EPA Fund	(46,133)	(A)
School Federal Aid Fund	(12,981)	(A)
School special Programs Fund	(3,483)	(A)
Dover Main Street	(6,105)	(A)
McConnell Center	(595,307)	(B)
Capital Project Funds:		
CIP FY12	\$ (6,876)	(B)
CIP FY11	(513,148)	(B)
CIP FY07	(828,691)	(B)
CIP FY05	(275,154)	(B)
CIP FY00	(41,948)	(B)

(A) The deficits in these funds will be eliminated through the future grant reimbursements.

(B) The deficits in these funds will be eliminated through future departmental revenues and transfers from other funds.

NOTE 3 – CASH AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. None of the City's deposits or investments were exposed to custodial credit risk.

City Funds

The City's Investment Policy requires the use of security broker/dealers be based on credit-worthiness (a minimum capital requirement of \$100,000,000 and at least five years of operation). Permitted investment per state law and the City's policy are U.S. Government Obligations, New Hampshire Public Deposit Investment Pool (NHPDIP), Certificates of Deposits in New Hampshire banks and overnight Repurchase Agreements whose underlying securities consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations. Financial institutions where funds are kept on deposit, in CDs or Repurchase Agreements must meet the following criteria:

Notes to Financial Statements

June 30, 2011

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

City Funds – Continued

- Minimum total assets of \$100 million.
- Minimum of an average rating by a bank rating service.
- Minimum ratio of equity capital to total assets of 5%.
- Maximum ratio of non-performing assets to equity of 20%.

Full collateralization is required on non-negotiable CDs or overnight Repurchase Agreements. Repurchase Agreement collateral must consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations.

Maximum maturity for an investment of City funds is six months. As of June 30, 2011, the City's bank balance of \$31,827,009 was fully insured and collateralized.

Trust Funds

The Investment Policy of the City's Board of Trustees of the Trust Funds permits deposits and investments in:

- Deposits in savings banks or the savings department of a national bank or trust company in the state of New Hampshire or in the NHPDIP.
- Shares of a building and loan association or cooperative bank, incorporated and doing business under New Hampshire law.
- Shares of any federal savings and loan association, located and doing business in New Hampshire.
- Certificates of deposits in New Hampshire.
- Bonds, notes or other obligations of the U.S. Government or the state, county, town, city, school district or water and sewer district.
- Stocks and bonds as are legal for investment by New Hampshire savings banks.
- Shares of mutual funds or money market mutual funds.
- The Board of Trustees of Trust Funds' standard for investing Common Trust Funds is the Prudent Investor Rule in accordance with RSA 31:25-d. To comply with the provisions of the Prudent Investor Rule, the Board engaged the services of an investment advisor.

Credit Risk

The City's Investment Policy and the Board of Trustees Investment Policy minimize credit risk by limiting investments to the safest types of securities as listed above, pre-qualifying institutions and diversifying the portfolio. In addition, they do not permit investments made with leveraging techniques, margin purchases or trading involving short selling. The Board of Trustees' Investment Policy also addresses specific ratio analysis and financial parameters for investments in stocks, bonds and mutual funds. In fiscal year 2011 the trust investments authorized to be managed by the Board's investment advisor were as follows:

Notes to Financial Statements

June 30, 2011

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Equity Investments

The Equity asset class may be comprised of individual securities, mutual funds and other pooled asset portfolios that are invested principally in equity securities of U.S. or international companies that have a proven record of earnings, growth, strong fundamentals and good valuations. These securities may be listed on registered exchanges, or actively traded in the over-the counter market, or considered to be restricted securities (provided that the percentage of the fund's assets invested in such securities conform to the investment instrument's prospectus).

Fixed Income Investments

The Fixed Income asset class may be comprised of individual securities, mutual funds and other pooled assets portfolios that are invested principally in fixed income securities rated investment grade or better (rated in one of the four highest rating categories by a National Recognized Statistical Rating Organization (NRSRO) at the time of purchase), or, if not rated, are determined to be of comparable quality by the Investment Advisor or a mutual fund manager.

Cash Equivalent Reserves

Cash equivalent reserves shall consist of money market mutual funds that comply with Rule 2a-7 under the Investment Company Act of 1940, as amended, or in the New Hampshire Public Deposit Investment Pool.

Investments as of June 30, 2011 consisted of:

	Fair Value	Investment Maturities (in Years)			
		1 - 5	6 - 10	More than 10	No Maturity
Corporate Bonds	\$ 417,247	\$308,549	\$108,698		
Bond Funds	629,163				\$ 629,163
Common Stock and Mutual Funds	1,490,285				1,490,285
Money Market, less than one year	248,993	248,993			
Total Investments	<u>\$2,785,688</u>	<u>\$557,542</u>	<u>\$108,698</u>	<u>\$ -</u>	<u>\$2,119,448</u>

The City's investment in debt securities that require disclosure of credit risk were rated by Moody's as follows:

Fixed income corporate bonds \$261,311—Aaa; Fixed income corporate bonds \$155,936—Aa thru A3; Bond funds \$13,497—Aaa and \$62,390 below Aaa, with 52% of this fund (63% of the non-Aaa portion) rated A1 or better.

As of June 30, 2011, the City did not have investments in any one issuer that exceeded 5% of investments.

City Funds

The City's Investment Policy limits its exposure to concentration credit risk by limiting the types of investment securities that it holds to U.S. Government Obligations and by splitting its short term deposits between financial institutions that fully collateralize them and the NHPDIP that also collateralizes the deposits and fully insures them.

Notes to Financial Statements

June 30, 2011

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Trust Funds

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concentration of credit risk policy is as follows:

Approved Allocation Guidelines for Common Trust Assets

Cash	0% - 10%
Fixed Income	40% - 60%
Equities	40% - 60%
Inflation Hedge	0% - 10%

The Fixed Income allocation shall consist of 15% or less of high yield bond funds.

Common Trust Accumulated Income Assets

Cash	25% - 100%
Fixed Income	0% - 75%
Equities	0% - 35%

The Fixed Income allocation shall consist of no investment into high yield bond funds. Investment into Fixed Income and Equities investments is only at specific direction of the Board of Trustees of Trust Funds.

Capital Reserve Funds

Cash	5% - 100%
U.S. Treasuries	0% - 60%
AAA Government Agencies	0% - 60%

In fiscal year 2011 all Capital Reserve Funds' investments were fully collateralized.

- No more than 10% of the portfolio (cost basis including cash and investments) shall be invested in the obligations of any one entity, corporation or organization exclusive of U.S. government or agency obligations. A mutual fund will be considered one entity.
- No more than 20% (market value) shall be invested in any one sector.
- About 10% of the portfolio should be kept in more liquid money market accounts.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

City Funds

The City minimizes the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio so securities mature to meet the cash requirements for on-going operations thus avoiding the need to sell securities on the open market prior to maturity. The policy also provides for investing primarily in shorter-term securities including the local government investment pool.

Notes to Financial Statements

June 30, 2011

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Trust Funds

The Trust recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary loss of liquidity. Portfolio diversification is to be employed as a way to control risk. The Trustees' investment advisor is expected to use prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the specific issuer. The Trustees' investment advisor shall review and, if appropriate, proceed to liquidate any securities having comparable credit risks.

Foreign Currency Risk

Specific investment in foreign securities is not permitted by either the City or Board of Trustees Investment Policies. Mutual Funds held by the Board of Trustees may have insignificant holdings in foreign securities.

The City and Board's policies also outline other specific investment criteria and are available for review at www.dover.nh.gov.

NOTE 4 – TAXES RECEIVABLE

The City bills property taxes semi-annually, in October and April of the following year. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year-end.

Property taxes are due no earlier than December 1 and June 1, of the following year and must be due at least 30 days after bills are mailed. At the time of the tax lien, which the City usually places within 60 to 90 days after the second due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes are not paid (redeemed) within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public auction or sealed bid.

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay. Prior to fiscal year 1996, the City was funding all abatement out of the current year appropriation regardless of the levy of the tax. During fiscal year 1996, the City began matching property tax abatements for individual levy years, with the tax revenue earned by the individual levy years.

Taxes receivable at June 30, 2011 are comprised of (in thousands):

Unredeemed taxes:

Levy of fiscal year 2011	\$	3,017
Levy of fiscal year 2010		797
Levy of fiscal year 2009		410
Levy of fiscal year 2008		61
Levy of fiscal year 2007		21
Levy of fiscal year 2006		11
Allowance for abatements		(167)
		<u>4,150</u>

Other taxes:

Other miscellaneous taxes		45
	\$	<u><u>4,195</u></u>

Notes to Financial Statements

June 30, 2011

NOTE 5 – DEPARTMENTAL AND OTHER RECEIVABLES

Departmental and other receivables, as reported in the governmental funds represent ambulance, police detail, current use receivables and other reimbursements.

	Ambulance	Conservation Fund	Residential Solid Waste	Other	Total
Gross	\$ 1,369,768	\$ 45,619	\$ 74,975	\$ 994,988	\$ 2,485,350
Less allowance for doubtful accounts	(915,707)			(27,185)	(942,892)
	<u>\$ 454,061</u>	<u>\$ 45,619</u>	<u>\$ 74,975</u>	<u>\$ 967,803</u>	<u>\$ 1,542,458</u>

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables of \$246,634 reported in the general fund represents tuition revenue received from area school districts in July and August. The balance of \$1,054,336 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

The New Hampshire Department of Environmental Services annually reimburses the City for a portion of the principal and interest payments on Sanitary Sewer Funds bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project. The amount due from the State in future years is as follows:

Fiscal Year Ended June 30,:	Reimbursement For		
	Principal	Interest	Total
2012	\$ 838,106	\$ 46,742	\$ 884,848
2013	15,443	6,840	22,283
2014	15,355	6,240	21,595
2015	15,338	5,688	21,026
2016	15,304	5,078	20,382
Thereafter	108,725	23,267	131,992
	<u>\$1,008,271</u>	<u>\$ 93,855</u>	<u>\$1,102,126</u>

In the Sewer Enterprise fund, the City has accrued \$125,669 of interest due in fiscal year 2011, along with all principal as Intergovernmental Receivables at June 30, 2011.

NOTE 7 – LOANS RECEIVABLE

Loans receivable of \$577,618 in nonmajor governmental funds represent the uncollected balance of community development loans.

Notes to Financial Statements

June 30, 2011

NOTE 8 – INTERFUND FUND RECEIVABLES, PAYABLES, AND TRANSFERS

The City maintains self-balancing funds; however, most cash transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The amount listed as advance to other funds which is due to the general fund is from the McConnell Center Fund relates to cash flow hardship, and is not scheduled to be collected in the subsequent year. The following is an analysis of the June 30, 2011 balances in interfund receivable and payable accounts:

Fund	Due From Other Funds	Due to Other Funds	Advance to Other Funds	Advance From Other Funds
General Fund		\$ 10,903,350	\$ 626,278	
Nonmajor Governmental Funds	\$ 10,236,198	4,491,391		\$ 626,278
Major Proprietary Funds:				
Enterprise Funds:				
Water	1,030,468			
Sewer	1,593,588			
DBIDA		280,576		
Nonmajor Proprietary Funds:				
Internal Service Funds	1,203,406			
Fiduciary Funds:				
Agency Funds	870,474			
Private Purpose Funds	741,183			
	<u>\$ 15,675,317</u>	<u>\$ 15,675,317</u>	<u>\$ 626,278</u>	<u>\$ 626,278</u>

Interfund transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The following is an analysis of the June 30, 2011 interfund transfers:

Fund	Transfers In	Transfers Out
General Fund	\$ 578,650	\$ (2,525,138)
Nonmajor Governmental Funds	934,439	
Major Proprietary Funds:		
Enterprise Funds		
Water		(42,059)
Sewer		(5,821)
DBIDA	130,000	
Nonmajor Proprietary Funds		
Internal Service Funds	929,929	
Total Interfund Transfers	<u>\$ 2,573,018</u>	<u>\$ (2,573,018)</u>

Notes to Financial Statements

June 30, 2011

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows (reported in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 101,695	\$ 1,603		\$ 103,298
Machinery, equipment and furnishings	27,376	2,124	\$ (1,246)	28,254
Infrastructure	67,724	4,050		71,774
Total capital assets, being depreciated	196,795	7,777	(1,246)	203,326
Less accumulated depreciation:				
Buildings and improvements	(30,746)	(2,095)		(32,841)
Machinery, equipment and furnishings	(17,699)	(1,697)	1,210	(18,186)
Infrastructure	(42,485)	(2,057)		(44,542)
Total accumulated depreciation	(90,930)	(5,849)	1,210	(95,569)
Total capital assets, being depreciated, net	105,865	1,928	(36)	107,757
Capital assets, not being depreciated:				
Land	14,169			14,169
Construction in progress	25,384	9,685	(4,967)	30,102
Total capital assets, not being depreciated	39,553	9,685	(4,967)	44,271
Governmental Activities Capital Assets, Net	\$ 145,418	\$ 11,613	\$ (5,003)	\$ 152,028
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 41,701			\$ 41,701
Machinery, equipment and furnishings	10,072	\$ 202		10,274
Infrastructure	58,798	1,610		60,408
Total capital assets, being depreciated	110,571	1,812		112,383
Less accumulated depreciation:				
Buildings and improvements	(19,789)	(1,183)		(20,972)
Machinery, equipment and furnishings	(6,333)	(418)		(6,751)
Infrastructure	(21,341)	(1,205)		(22,546)
Total accumulated depreciation	(47,463)	(2,806)		(50,269)
Total capital assets, being depreciated, net	63,108	(994)		62,114
Capital assets, not being depreciated:				
Land	1,990			1,990
Construction in progress	2,667	2,995	\$ (2,026)	3,636
Total capital assets, not being depreciated	4,657	2,995	(2,026)	5,626
Business-Type Activities Capital Assets, Net	\$ 67,765	\$ 2,001	\$ (2,026)	\$ 67,740

Notes to Financial Statements

June 30, 2011

NOTE 9 – CAPITAL ASSETS – CONTINUED

Depreciation expense was charged to functions of the City as follows (in thousands):

Governmental Activities:	
General government	\$ 130
Public safety	458
Public works	2,971
Education	1,772
Culture and recreation	516
Human services	2
Total Depreciation Expense - Governmental Activities	<u>\$ 5,849</u>
Business-Type Activities:	
Water	\$ 743
Sewer	2,007
DBIDA	56
Total Depreciation Expense – Business-Type Activities	<u>\$ 2,806</u>

Construction Commitments:

Active construction in progress at June 30, 2011 and commitments outstanding consist of the following:

	Construction in Progress	Remaining Commitments
Government Activities:		
Tolend Road Landfill	\$ 13,729,064	\$ 279
Cocheco River Bridge	4,139,956	326,106
Cocheco Dredge Cell	3,584,780	4,912
Horne Street School Improvements	4,149,060	81,430
Energy Conservation	1,740,510	87,540
Henry Law Avenue Reconstruction	953,021	102,483
Street Improvements	1,344,429	1,090,514
Bridge Replacement - Whittier Street	37,153	279,464
Various other construction projects	426,033	380,901
Total Governmental Activities	<u>\$ 30,104,006</u>	<u>\$ 2,353,629</u>
Business-Type Activities:		
Water Main - North End Water Pressure	\$ 382,776	\$ 620,844
Sewer - Sludge Processing Pilot Street	207,401	3,232
WWTP - River Street Pump Upgrade - ARRA	1,942,287	409,951
Sewer - Oak Hill - North End	372,396	
Sewer Main - Henry Law Avenue	265,000	62,257
WWTP - Aeration Blower - ARRA	139,578	418,736
Water Main - Route 9 Bridge	165,586	
Various other sewer construction projects	160,779	844,320
Total Business-Type Activities	<u>\$ 3,635,803</u>	<u>\$ 2,359,340</u>

Notes to Financial Statements

June 30, 2011

NOTE 10 – ACCOUNTS PAYABLE

Accounts payable represents fiscal year 2011 invoices paid in the subsequent fiscal year.

NOTE 11 – ACCRUED LIABILITIES

Accrued liabilities in the general fund represent salaries earned but unpaid to City and School employees at year-end.

NOTE 12 – DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The balance of the General Fund deferred revenues account is equal to the sum of all delinquent taxes at June 30, 2011 less property and unredeemed tax collections for the subsequent 60 days.

NOTE 13 – LONG-TERM DEBT

Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the City for various municipal projects are approved by City Council and repaid with property taxes recorded in the General Fund and user fees recorded in Enterprise Funds. Compensated absences are repaid from the funds that the costs relate to, mostly the general fund, and also water, sewer, internal service, and other special revenue funds.

New Bond Issued

On February 7, 2011 the City obtained a \$250,000 loan from the New Hampshire Community Development Finance Authority to finance energy efficiency improvements at the City's ice arena. The loan interest rate is fixed at 2.47% and the loan matures in 2021.

General Obligation Bonds and Loans

The City's general obligation bonds and loans are used to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and loans have been issued for both governmental and business-type activities. The City has not issued any revenue bonds. All bonds and loans outstanding were used in calculating the net assets invested in capital assets net of related debt. General obligation bonds and loans currently outstanding are as follows:

Notes to Financial Statements

June 30, 2011

NOTE 13 – LONG-TERM DEBT

Description	Original Issue Amount	Rate	Maturity Date	Balance
Bonds Payable:				
WWTP - State guaranteed 1991	\$ 10,500,000	6.6983%	7/15/11	\$ 525,000
WWTP - State guaranteed 1991	7,300,000	6.5746%	1/15/12	365,000
WWTP - State guaranteed 1992	450,000	5.5966%	1/15/12	20,000
Public improvements 1996	3,885,092	5.6554%	8/15/11	195,000
Public improvements 1996	875,055	5.4059%	1/15/12	18,490
Public improvements 1997	1,002,327	4.8400%	8/15/12	80,000
Public improvements 1999	4,137,500	4.1900%	1/15/13	660,000
Public improvements 1999	2,179,901	5.5100%	1/15/15	560,000
New Middle School 1999	15,741,027	5.5800%	1/15/20	4,956,064
Public improvements 2002	2,240,600	4.2300%	6/15/22	955,000
Public improvements 2003	14,280,000	3.1688%	6/15/24	7,035,000
Public improvements 2004	9,816,000	4.1148%	6/15/25	5,995,000
Public improvements 2005	10,740,000	3.8405%	6/15/26	7,305,000
Public improvements 2006	22,348,000	4.2313%	6/15/27	17,190,000
Public improvements 2007	20,646,000	4.5000%	6/15/27	16,090,000
Public improvements 2008	9,970,000	4.0935%	12/15/28	8,780,000
Public improvements 2009	12,799,000	3.4417%	4/1/30	12,010,000
Public improvements refunding 2009	8,790,000	2.1535%	6/30/21	8,790,000
Total Bonds Payable				<u>91,529,554</u>
Other Long-Term Debt:				
State revolving loan - Tolend landfill	1,271,357		6/1/13	254,272
BFA loan	2,000,000		3/2/26	1,694,772
CDFA Energy Improvement	250,000	2.4700%	12/31/20	250,000
Total Other Debt Outstanding				<u>2,199,044</u>
Total Long-Term Debt				<u>\$ 93,728,598</u>

Notes to Financial Statements

June 30, 2011

NOTE 13 – LONG-TERM DEBT – CONTINUED

Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2011 are as follows:

Governmental	Principal	Interest	Total
2012	\$ 6,809,037	\$ 3,302,261	\$ 10,111,298
2013	6,555,400	3,123,424	9,678,824
2014	6,478,960	2,946,047	9,425,007
2015	6,168,343	2,764,787	8,933,130
2016 - 2020	25,435,752	11,323,616	36,759,368
2021 - 2025	15,207,333	3,088,590	18,295,923
2026 - 2030	<u>6,087,500</u>	<u>532,265</u>	<u>6,619,765</u>
	<u>72,742,325</u>	<u>27,080,990</u>	<u>99,823,315</u>
Business-Type			
2012	2,806,364	849,814	3,656,178
2013	1,873,110	738,546	2,611,656
2014	1,871,173	669,735	2,540,908
2015	1,829,576	601,368	2,430,944
2016 - 2020	8,408,050	1,692,556	10,100,606
2021 - 2025	3,455,500	544,863	4,000,363
2026 - 2030	<u>742,500</u>	<u>55,783</u>	<u>798,283</u>
	<u>20,986,273</u>	<u>5,152,665</u>	<u>26,138,938</u>
Total future debt service	<u>\$ 93,728,598</u>	<u>\$ 32,233,655</u>	<u>\$ 125,962,253</u>

The City's proprietary fund future debt service is partially funded by the state as described in Note 6. The governmental future debt service relating to school construction is partially funded by the New Hampshire Department of Education School Building Aid, which is annually appropriated by the state.

Notes to Financial Statements

June 30, 2011

NOTE 13 – LONG-TERM DEBT – CONTINUED

Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2011 are as follows:

Purpose	Amount
Enterprise Park Building Project	\$ 2,000,000
Tolend Road Landfill Remediation	1,600,000
Rizzo - Downtown Parking	500,000
Public Improvements - FY10	200,000
Public Improvements - FY11	3,750,056
Public Improvements - FY12	10,200,000
Public Improvements - FY10 Energy	916,765
Public Improvements - FY10 Broadway	2,000,000
Public Improvements - FY10 Sewer	1,200,000
Public Improvements - FY10 - Sewer	279,157
	<u>\$ 22,645,978</u>

Maximum Debt Limit

The City is subject to state law which limits debt outstanding to a percentage (depending on how funds will be used) of its last full state valuation. Debt incurred for state required sewerage systems is not subject to the limit. The following is a summary, by purpose, of the outstanding debt of the City at June 30, 2011 and related limitations. These limits are based on the tax year 2010 base valuations for debt limits of \$2,774,177,802 provided by the State Department of Revenue Administration.

Purpose	Percent of State Assessed Value	Maximum Debt Limit	Applicable Bonds Outstanding at June 30, 2011
Municipal	3%	\$ 83,225,334	\$ 36,903,240
School	7%	94,192,446	28,640,814
Water	10%	277,417,780	10,334,000
DBIDA - IP	0%	4,000,000 *	100,000
DBIDA - IB	0%	1,000,000	
DBIDA - Projects	8%	212,633,344	1,694,773
Not subject to limitation	0%		16,055,771
			<u>\$ 93,728,598</u>

*Debt limit is set by special legislation.

Notes to Financial Statements

June 30, 2011

NOTE 13 – LONG-TERM DEBT – CONTINUED

Changes in General Long-Term Liabilities

During the year ended June 30, 2011, the following changes occurred in long-term liabilities (in thousands):

Governmental Activities	Total Balance 7/1/10	Additions	Reductions	Total Balance 6/30/11	Less Current Portion	Long-Term Portion 6/30/11
Claims liability	\$ 326	\$ 62	\$ (30)	\$ 358	\$ (217)	\$ 141
Bonds and loans payable	79,473	250	(6,981)	72,742	(6,809)	65,933
Other:						
Compensated absences	3,030	1,201	(1,221)	3,010	(95)	2,915
OPEB liability	12,419	3,502	(1,269)	14,652		14,652
Liability for hazardous waste-site cleanup	5,269		(2,710)	2,559		2,559
	<u>\$ 100,517</u>	<u>\$ 5,015</u>	<u>\$ (12,211)</u>	<u>\$ 93,321</u>	<u>\$ (7,121)</u>	<u>\$ 86,200</u>

Business-Type Activities	Total Balance 7/1/10	Additions	Reductions	Total Balance 6/30/11	Less Current Portion	Long-Term Portion 6/30/11
Bonds and loans payable	\$ 24,000	\$ -	\$ (3,014)	\$ 20,986	\$ (2,806)	\$ 18,180
Other:						
Compensated absences	159	147	(149)	157	(17)	140
OPEB liability	879	264	(96)	1,047		1,047
	<u>\$ 25,038</u>	<u>\$ 411</u>	<u>\$ (3,259)</u>	<u>\$ 22,190</u>	<u>\$ (2,823)</u>	<u>\$ 19,367</u>

Contingent Debt Obligation

The City received funding for two capital projects from the State of New Hampshire through a revolving renovation loan fund for which half of the amount drawn by the City will be covered by a Federal Stimulus Grant. The City will be obligated to repay one-half of the amount drawn over a period of 20 years plus interest at 3.27%. As of June 30, 2011 the project had not been completed and the loan agreement has not closed. If the project cost when completed reaches the full amount of \$3 million, the City's obligation for loan repayment will be approximately \$1.5 million. As of June 30, 2011 the City has spent approximately \$1.6 million related to these projects.

Defeased Debt

In June 2010 the City defeased a March 2001 general obligation bond. The proceeds from the new issuance of general obligation bonds were used to purchase U.S. governmental securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds matured in June 2011. As of June 30, 2011, there is no outstanding defeased debt obligations.

Notes to Financial Statements

June 30, 2011

NOTE 14 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City owned and operated a 55-acre landfill on Tolend Road from 1960 to 1979. On September 10, 1991, the Environmental Protection Agency issued a Record of Decision (ROD) on the closure of the site, including the City as a Potentially Responsible Party (PRP). The estimated cost of the original ROD for closure and post closure maintenance was \$34,612,296. The City was responsible for 42.68% of the costs. The City negotiated its preliminary share at \$8,166,666 of the first \$20 million. Thirty-two PRPs made final settlement on all costs related to the closure with EPA. Based on this information, the City established an estimated \$11,016,013 liability for its share of the capping and management of mitigation costs.

The City funded and paid its share of the capping design of \$1,257,357. The City also funded the ongoing project costs over the years with \$2,213,142 in transfers from operational funds, \$2,900,000 from bond authorizations and \$1,237,229 from various sources including state aid, insurance proceeds and a payment from the Town of Madbury.

The City entered negotiations with the EPA and the State of New Hampshire Department of Environmental Services to implement an alternative to the closure capping. The new technique involves an air sparging trench along the down gradient edge of the landfill which will treat contaminated ground water. This alternative carries significant savings versus conventional capping. The City received approval for a pilot program to determine the effectiveness of this method. As a result, the City received a four-year deferral of the capping requirement from EPA.

An Amended Record of Decision (AROD) from EPA was issued on September 30, 2004 to change the closure method with an estimated cost of \$19,393,859, including post closure maintenance. The City's new liability is \$8,663,966 for the alternative closure method using the same cost sharing percentage. Of this total, \$7,625,525 relates to the closure and \$1,038,441 relates to post closure maintenance.

The \$8,663,966 liability is further reduced by expenditures incurred from available bonded funds reflecting a net liability at June 30, 2011 of \$2,558,383 relating to the AROD. The Tolend Road Landfill Fund has a fund balance of \$199,692 and \$1.6 million of authorized by unissued bonding authority to satisfy the anticipated future obligation.

The total current cost of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations.

NOTE 15 – RESTRICTED NET ASSETS

The accompanying entity-wide financial statements report restricted net assets when external constraints from grantors or contributors are placed on net assets.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Outstanding Lawsuits

There are several pending lawsuits in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Notes to Financial Statements

June 30, 2011

NOTE 16 – COMMITMENTS AND CONTINGENCIES – CONTINUED

County Deficit

City's property tax assessment is 27% of Strafford County's total assessment. Strafford County had a \$7,165,557 unreserved General Fund Balance deficit on December 31, 2010, the most recent financial statements available.

NOTE 17 – POST-EMPLOYMENT HEALTH CARE

GASB Statement 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the statement of revenues, expenses, and changes in net assets when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Assets over time.

Plan Description

The City pays toward the cost of health care benefits for certain qualified retirees enrolled at the time of retirement and their eligible dependents (Retiree Group). The City will also pay toward the cost of health care benefits for certain current employees and eligible dependents upon retirement. The City provides post-employment health care benefits for retire employees through the City's single employer benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by NH RSA 100-A:50. The City has contracted with an actuarial consultant to provide the actuarial valuation of the City's OPEB liability under GASB 45. The Plan does not issue a separate audited financial report.

As of June 30, 2011, the actuarial valuation date, approximately 123 retirees and 598 active employees meet the eligibility requirements.

Benefits Provided

The City provides medical, dental, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents who meet certain eligibility criteria.

Current retirees have their health care benefit cost paid by the City if they retired while enrolled in the City's Group Health Insurance program and had a minimum of 20 years of continuous creditable service with the City. Current employees are eligible for City cost participation when they retire only if they meet the same enrollment and service criteria and were hired on or before May 30, 2000, depending on the bargaining unit.

Employees who retire from the City under the New Hampshire Retirement System (NHRS) and participated in the City's Group Health Insurance Program at the time of retirement, but who are not eligible for any City retiree health care benefit cost coverage may also join the Retiree Group. Coverage will continue for themselves and their eligible dependents at their own expense in accordance with state statute (NH RSA 100-A:50).

Funding Policy and On-Behalf Payments

Retirees contribute various percentages of the cost of the health plan, as determined by the City. The City contributes the remainder of the health plan costs on a pay-as-you-go basis.

The retiree health care benefit cost to the City is lessened by subsidies received by retirees from the NHRS. Health care benefit costs are reduced significantly upon a retiree or their dependents attaining the age of 65, at which time they become eligible for Medicare and are changed to a Medicare supplement plan.

Notes to Financial Statements

June 30, 2011

NOTE 17 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

Funding Policy and On-Behalf Payments – Continued

During the past 10 fiscal years, the City's cost of health care benefits to retirees, less any subsidies paid by the New Hampshire Retirement System and any withholdings from the retirees, was as follows:

Fiscal Year	Net City Cost
2011	\$ 952,117
2010	699,188
2009	655,613
2008	562,787
2007	499,660
2006	401,268
2005	334,247
2004	276,543
2003	108,733
2002	66,030

For the fiscal year ended June 30, 2011, \$484,851 was recorded as revenues and expenditures in the General Fund relative to on-behalf payment received from the state.

Annual OPEB Costs and Net OPEB Obligation

The City's fiscal 2011 annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the City's annual OPEB cost for the year ending June 30, 2011, the amount actually contributed to the plan and the change in the City's net OPEB obligation based on an actuarial valuation as of June 30, 2010.

Annual required contribution (ARC)	\$ 3,928,163
Interest on net OPEB obligation	539,196
Adjustment to ARC	(701,509)
Annual OPEB cost	3,765,850
Contributions made	(1,364,349)
Increase in net OPEB obligation	2,401,501
Net OPEB obligation - beginning of year	13,298,066
Net OPEB obligation - end of year	<u>\$ 15,699,567</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Cost	Cost Contributed	Obligation
2011	\$ 3,765,850	36%	\$ 15,699,567
2010	3,765,850	28%	13,298,066
2009	3,982,897	37%	10,783,913

Notes to Financial Statements

June 30, 2011

NOTE 17 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

The City's net OPEB obligation as of June 30, 2011 is recorded as a liability on the Statement of Net Assets.

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2011, based on the June 30, 2011 actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 42,239,664
Actuarial value of plan assets	
Unfunded actuarial accrued liability (UAAL)	<u>\$ 42,239,664</u>
Funded ratio (actuarial value of plan assets (AAL))	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 31,709,755</u>
UAAL as a percentage of covered payroll	<u>133%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the Plan as understood by the City and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2010 actuarial valuation the projected unit credit cost method was used. The actuarial value of assets was not determined as the City has not advance funded its obligation. The actuarial assumptions included a 5.0% investment rate of return and an initial annual healthcare cost trend rate of 10.0% which decreases to a 4.5% long-term rate for all healthcare benefits after ten years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis.

NOTE 18 – SELF-INSURANCE

The City is a self-insurer of workers' compensation for all City employees, contracting with an insurance carrier for excess liability coverage. Under the terms of its insurance coverage, the City is liable for \$400,000 per incident. The insurer's limit of liability is \$3,000,000. The City does not carry any aggregate insurance. Funding of the workers' compensation internal service fund is through charges levied to the general, special revenue and enterprise funds.

Notes to Financial Statements

June 30, 2011

NOTE 18 – SELF-INSURANCE – CONTINUED

Claims Liability

The following represents changes in the Workers' Compensation claims liability:

	Year Ended June 30, 2011	Year Ended June 30, 2010
Unpaid claims, beginning of fiscal year	\$ 326,324	\$ 514,460
Claims incurred (including IBNRs)	228,149	6,749
Claims paid	<u>(196,469)</u>	<u>(194,885)</u>
Unpaid claims, end of fiscal year	<u>\$ 358,004</u>	<u>\$ 326,324</u>

The City adopted a policy to maintain 100% funding for an actuarially determined claims liability based on a 65% confidence level. Out of \$358,004 claims liability as of June 30, 2011, \$217,216 is estimated to be due within one year.

The City is liable for \$400,000 per incident. The Insurer's limit of liability is \$3,000,000.

NOTE 19 – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

NOTE 20 – PENSION PLAN

The City follows the provisions of GASB Statement No. 27, Accounting for Pensions for State and Local Government Employees, with respect to the employees' retirement funds.

Plan Description

The City contributes to the New Hampshire Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the state retirement board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Revised Statutes Annotated 100-A:1-a of New Hampshire Law assigns the system the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the New Hampshire Retirement System at 54 Regional Drive, Concord, NH 03301-8507.

Funding Policy and On-Behalf Payments

Plan members are required to contribute to the pension plan based on their annual covered compensation. The rates for member contributions is statutorily defined by Revised Statutes Annotated 100-A:16. The City and State also make annual contributions to the pension plan equal to the amount required. The New Hampshire Retirement System establishes the employers' and the State's contributory rate every two years. The employer pays 75% of the total employer normal contribution rate for teacher, firefighter and police officer members; the State of New Hampshire pays 25%. The employer pays the entire amount for its employee members. The following table reflects the contribution rates (percent of compensation) during fiscal year 2011 for the members, the City and the State.

Notes to Financial Statements

June 30, 2011

NOTE 20 – PENSION PLAN – CONTINUED

Funding Policy and On-Behalf Payments – Continued

Group	Contribution Rates		
	Members	City	State
I Teachers	5.00%	8.02%	2.68%
I Employees	5.00%	9.16%	0.00%
II Police	9.30%	14.63%	4.88%
II Fire	9.30%	18.52%	6.17%

Contributions to the System were as follows:

Year Ended	The City	Plan Members	Total
2011	\$ 3,558,894	\$ 2,064,465	\$ 5,623,359
2010	3,315,944	2,025,750	5,341,694
2009	2,860,685	2,033,616	4,894,301
2008	2,936,651	2,075,111	5,011,762
2007	2,032,898	2,185,757	4,218,655
2006	2,006,390	2,156,406	4,162,796
2005	1,713,819	1,919,101	3,632,920
2004	1,655,035	1,865,872	3,520,907
2003	1,133,880	1,786,910	2,920,790
2002	1,020,217	1,609,822	2,630,039

For the fiscal year ended June 30, 2011, \$906,966 was recorded as revenues and expenditures in the General Fund relative to on-behalf payment received from the state.

NOTE 21 – OPERATING LEASE REVENUE

The City owns land and a building that is being leased to a business located in the Enterprise Industrial Park. The lease expires on March 2, 2016. The cost of the assets held for lease as of June 30, 2011 was \$2,220,104, accumulated depreciation was \$294,203 and the net book value was \$1,925,901. Future non-cancelable lease revenue under this lease as of June 30, 2011 is as follows:

Year Ending	Amount
2012	\$ 188,562
2013	196,263
2014	203,958
2015	211,662
2016	163,080
Total	<u>\$ 963,525</u>

The City also leases office space in the McConnell Center to several organizations. The leases expire at various years through the year 2031. The cost of the assets held for lease as of June 30, 2011 was \$8,085,810, accumulated depreciation was \$673,024 and the net book value was \$7,412,786. Approximately 35% of the square footage of the building is being leased to third parties with the remainder of the building being used by the City. Future non-cancelable lease revenue under these leases as of June 30, 2011 is as follows:

Notes to Financial Statements

June 30, 2011

NOTE 21 – OPERATING LEASE REVENUE – CONTINUED

Year Ending	Amount
2012	\$ 204,316
2013	137,766
2014	94,552
2015	94,552
2016	84,308
Thereafter	<u>1,064,352</u>
Total	<u>\$ 1,679,846</u>

NOTE 22 – FUND BALANCE

During the year as a result of the implementation of GASB No. 54 the beginning fund balances were restated as certain funds were reclassified from the special revenue fund to the general fund and capital projects fund as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund
Ending fund balance as previously reported, June 30, 2010	\$ 7,994,885	\$ 5,635,016	\$12,883,397
Reclassification of employee benefit reserve funds	582,350	(582,350)	
Reclassification of capital reserve fund		(436,733)	436,733
Beginning fund balance as reported, June 30, 2011	<u>\$ 8,577,235</u>	<u>\$ 4,615,933</u>	<u>\$13,320,130</u>

The following is a schedule of fund balance classifications for the governmental funds as of June 30, 2011:

	General Fund	Nonmajor Governmental Funds
Nonspendable		
Permanent funds		\$ 1,800,179
Inventory	<u>\$ 3,821</u>	<u>46,513</u>
	<u>3,821</u>	<u>1,846,692</u>
Restricted		
Permanent funds income		205,845
Emergency management fund		358,598
Conservation fund		625,395
Capital projects funds		5,645,164
Other grants and donations		<u>765,658</u>
		<u>7,600,660</u>

Notes to Financial Statements

June 30, 2011

NOTE 22 – FUND BALANCE – CONTINUED

	General Fund	Nonmajor Governmental Funds
Committed		
City benefit capital service	217,212	
School benefit capital reserve	59,871	
McConnell Center long-term advance	529,703	
Recreation programs funds		354,748
Other special revenue funds		2,167,153
Recreation field construction		323,102
Capital purchases fund		461,636
Other purposes		564,988
	<u>806,786</u>	<u>3,871,627</u>
Assigned		
Encumbrances - city	768,987	
Encumbrances – school	173,005	
Carryover appropriations	716,299	
	<u>1,658,291</u>	
Unassigned	<u>5,941,993</u>	<u>(2,873,287)</u>
Total Fund Balances	<u>\$ 8,410,891</u>	<u>\$ 10,445,692</u>

NOTE 23 – NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable adding back any unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net assets invested in capital assets, net of related debt was calculated as follows at June 30, 2011:

(In thousands)	Governmental Activities	Business-Type Activities
Capital assets	\$ 247,598	\$ 118,006
Accumulated depreciation	(95,570)	(50,268)
Bonds payable, total	(72,742)	(20,986)
Unspent bond proceeds	5,578	4,012
Total invested in capital assets, net of related debt	<u>\$ 84,864</u>	<u>\$ 50,764</u>

NOTE 24 – SUBSEQUENT EVENTS

On December 30, 2011 the City sold the land and building that was held for lease in the Enterprise Industrial Park. The selling price was approximately \$1,880,000, resulting in a loss from the transaction of approximately \$20,000. A portion of the net proceeds were used to pay the remaining loan outstanding with the New Hampshire Business Finance Authority, in the amount of approximately \$1,675,000.

Schedule of Funding Progress Required Supplementary Information

June 30, 2011

Other Post-Employment Benefits						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2011	\$ -	\$ 42,239,664	\$ 42,239,664	0.0%	\$ 31,709,755	133.2%
7/1/2010	-	42,171,618	42,171,618	0.0%	29,100,644	144.9%
7/1/2009	-	42,669,587	42,669,587	0.0%	28,725,197	148.5%
7/1/2008	-	40,449,724	40,449,724	0.0%	27,170,669	148.9%
7/1/2007	-	33,584,481	33,584,481	0.0%	N/A	N/A
7/1/2006	-	31,256,403	31,256,403	0.0%	N/A	N/A

N/A – Not available at time of publication.

Combining Financial Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- **Community Development Fund** – To account for grant proceeds received from the U.S. Department of Housing and Urban Development under the Community Development Block Grant (CDBG) program and the related program and subgrant expenditures.
- **CDBG Recovery Fund** – To account for the ARRA grant proceeds related to the CDBG program.
- **Housing Rehabilitation Loan Fund** – To account for loans given to low and moderate income individuals for the purpose of improving their private dwellings.
- **Economic Development Loan Fund** – To account for loans given to small business for the purpose of business establishment or expansion.
- **DOE Energy Efficiency Fund** – To account for grant proceeds from the U.S. Department of Education for energy efficiency projects.
- **Police DOJ Fund** – To account for grant proceeds from the U.S. Department of Justice for various drug and alcohol awareness and prevention programs.
- **Homeland Security Fund** – To account for grant proceeds from the U.S. Department of Homeland Security for equipment purchases.
- **Police DHA Fund** – To account for funds received from the Dover Housing Authority for payment toward funding a Police Officer presence at their housing area.
- **Police DOT Fund** – To account for grant proceeds from the U.S. Department of Transportation for various driving safety programs.
- **DHHS Assistance Programs** – To account for grant proceeds for at-risk youth in the community passed through Department of Health and Human Services.
- **Police Tobacco Fund** – To account for grant proceeds for various tobacco awareness and prevention programs.
- **Emergency Management Fund** – To account for grant proceeds from the U.S. Federal Emergency Management Agency for preparation for major disasters.

- **Radiology Emergency Response**– To account for grant proceeds related to emergency preparedness for Seabrook radiology response.
- **DOI Fund** – To account for grant proceeds from the U.S. Department of Interior for various programs.
- **EPA Fund** – To account for grant proceeds from the U.S. Environmental Protection Agency for various programs.
- **School Cafeteria Fund** – To account for cafeteria operations of the Dover School system, including reimbursement from the U.S. Department of Education and receipt of U.S. Department of Agriculture food commodities.
- **School Federal Aid Fund** – To account for grants received from the U.S. Department of Education for various programs supporting School operations.
- **School Special Programs Fund** – To account for Healthy Universal Beginnings program and ancillary education programs supported by the Dover School system and funded mainly by non-federal grants.
- **Dover Main Street Fund** – To account for the expenditures related to the Main Street Program, reimbursed by Dover Main Street, Inc.
- **Planning Improvements Fund** – To account for the funds received pursuant to Planning Board conditions for approval and held for related offsite improvements or other expenditures.
- **Police and Fire Detail** – To account for police and fire outside detail activity.
- **Parking Activity Fund** – To account for revenues of all parking lots, leased parking spaces and metered parking and expenditures of enforcement, lighting and snow removal.
- **Police Special Fund** – To account for forfeiture proceeds and special investigative expenditures.
- **SRT Fund** – To account for special purpose grants awarded to the fire department.
- **Conservation Fund** – To account for the proceeds of current use (land change) penalties and the purchase of land or easements for conservation purposes.
- **Residential Solid Waste Fund** – To account for revenue from the sale of garbage bags and waste tags to local outlets for resale to the public and the expenditures or residential solid waste pickup and disposal.
- **McConnell Center Fund** – To account for the operations and maintenance of the McConnell Center facility and revenues from the leasing of space to 501(c)3 organizations and City and State organizations.

- **Recreation Programs Fund** – To account for the revenue and expenditures of self-supporting recreational programs.
- **Recreation Field Maintenance Fund** – to account for 10% of the proceeds of the sale of the City gravel for use to maintain recreation fields.
- **Library Fines Fund** – To account for revenue assessed on late return of books for use to purchase books, periodicals, etc. for the Public Library.
- **Tuition Programs Fund** – To account for the revenue and expenditures for Dover School supported Dover Adult Learning Center and Summer Sessions.
- **Vocational Center Fund** – To account for revenues and expenditures of minor programs of the Dover High School's Regional Vocational Education Center.
- **School Alternative Education Fund** – To account for the revenues and expenditures of the Alternative Education Center of the Dover High School.
- **School Facilities Fund** – To account for gate receipts used toward the cost of facility maintenance and upgrades.
- **Other Special Revenue Funds** – To account for revenues and expenditures associated with various special revenue funds, formally classified as trusts under the "Pre-GASB 34" reporting model.

Capital Project Funds

- **CIP FY12** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2012 of the Capital Improvements Program.
- **CIP FY11** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2011 of the Capital Improvements Program.
- **CIP FY10** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2010 of the Capital Improvements Program.
- **CIP FY09** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2009 of the Capital Improvements Program.

- **CIP FY08** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2008 of the Capital Improvements Program.
- **CIP FY07** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2007 of the Capital Improvements Program.
- **CIP FY06** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2006 of the Capital Improvements Program.
- **CIP FY05** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2005 of the Capital Improvements Program.
- **CIP FY04** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2004 of the Capital Improvements Program.
- **CIP FY03** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2003 of the Capital Improvements Program.
- **CIP FY02** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2002 of the Capital Improvements Program.
- **CIP FY01** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2001 of the Capital Improvements Program.
- **CIP FY00** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2000 of the Capital Improvements Program.
- **Tolend Road Landfill Closure** – To account for the revenues from bond and loan proceeds, insurance proceeds, and federal and state grant funding and the related expenditures for the design and construction costs of the closure of a landfill containing hazardous waste.

- **Cocheco River Dredge** – To account for the revenue from bond anticipation note proceeds and revenue from the placement of dredge spoils and the related expenditures for the design, construction and closure costs of a dredge spoils cell for the Cocheco River.
- **Recreation Field Construction** – To account for the revenue from the sale of gravel and the related expenditures for authorized recreation or other qualified projects.
- **Capital Purchases Fund** – To account for revenue transferred from the general fund for the purpose of capital acquisitions.

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Non-Major Governmental Funds**Combining Balance Sheet**

June 30, 2011

	Special Revenue Funds				
	Community Development Fund	CDBG Recovery Fund	Housing Rehab Loan Fund	Economic Development Loan Fund	DOE Energy Efficiency Fund
ASSETS					
Cash and short-term investments					
Investments					
Departmental receivable					
Intergovernmental receivables		\$ (108,138)			
Loans receivable			\$ 198,075	\$ 379,543	
Due from other funds		117,194	76,292	52,511	
Inventory					
Total Assets	\$ -	\$ 9,056	\$ 274,367	\$ 432,054	\$ -
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 7,884		\$ 84	\$ 153	
Accrued liabilities	5,661				\$ 382
Retainage payable		\$ 7,446			48,306
Deferred revenue			198,076	385,146	
Due to other funds	267,359				94,392
Advance from other fund					
Compensated absences					
Total Liabilities	280,904	7,446	198,160	385,299	143,080
Fund Balances:					
Nonspendable					
Restricted		1,610	76,207	46,755	
Committed					
Assigned					
Unassigned	(280,904)				(143,080)
Total Fund Balances (Deficit)	(280,904)	1,610	76,207	46,755	(143,080)
Total Liabilities and Fund Balances	\$ -	\$ 9,056	\$ 274,367	\$ 432,054	\$ -

Special Revenue Funds

Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	Emergency Management Fund	Radiology Emergency Response
		\$ 31,263				\$ 24,882	
					\$ 30,319	333,805	\$ 36,879
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,319</u>	<u>\$ 358,687</u>	<u>\$ 36,879</u>
\$ 2 (9,593)		\$ 1,491	\$ 729	\$ 7,110 848	\$ 1,007	\$ 89	
89,495	\$ (17,406)	17,136	(6,091)	31,615			
<u>79,904</u>	<u>(17,406)</u>	<u>18,627</u>	<u>(5,362)</u>	<u>39,573</u>	<u>1,007</u>	<u>89</u>	<u>-</u>
	17,406	12,636	5,362		29,312	358,598	\$ 36,879
(79,904)				(39,573)			
<u>(79,904)</u>	<u>17,406</u>	<u>12,636</u>	<u>5,362</u>	<u>(39,573)</u>	<u>29,312</u>	<u>358,598</u>	<u>36,879</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,319</u>	<u>\$ 358,687</u>	<u>\$ 36,879</u>

	Special Revenue Funds				
	DOI Fund	EPA Fund	School Cafeteria Fund	School Federal Aid Fund	School Special Programs Fund
ASSETS					
Cash and short-term investments					
Investments					
Departmental receivable					
Intergovernmental receivables			\$ 49,930	\$ 762,684	\$ 291,165
Loans receivable					
Due from other funds	\$ 8,526		153,615		
Inventory			32,159		
Total Assets	\$ 8,526	\$ -	\$ 235,704	\$ 762,684	\$ 291,165
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable		\$ 1,029	\$ 71	\$ 29,757	
Accrued liabilities				147,868	\$ 29,471
Retainage payable					
Deferred revenue					704
Due to other funds		45,104		598,040	264,473
Advance from other fund					
Compensated absences					
Total Liabilities	-	46,133	71	775,665	294,648
Fund Balances:					
Nonspendable			32,159		
Restricted	\$ 8,526		203,474		
Committed					
Assigned					
Unassigned		(46,133)		(12,981)	(3,483)
Total Fund Balances (Deficit)	8,526	(46,133)	235,633	(12,981)	(3,483)
Total Liabilities and Fund Balances	\$ 8,526	\$ -	\$ 235,704	\$ 762,684	\$ 291,165

Special Revenue Funds

Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund	Police Special Fund	SRT Fund	Conservation Fund	Residential Solid Waste Fund
\$ 167		\$ 48,825	\$ 11,981			\$ 45,619	\$ 74,975
	\$ 206,104	35,638	117,922	\$ 44,572	\$ 38,721	579,776	668,845
							14,354
<u>\$ 167</u>	<u>\$ 206,104</u>	<u>\$ 84,463</u>	<u>\$ 129,903</u>	<u>\$ 44,572</u>	<u>\$ 38,721</u>	<u>\$ 625,395</u>	<u>\$ 758,174</u>
\$ 374		\$ 2,427	\$ 709 5,399				\$ 52,095 1,764
5,898							540,306
<u>6,272</u>	<u>-</u>	<u>2,427</u>	<u>6,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>594,165</u>
	\$ 206,104			\$ 44,572	\$ 38,721	\$ 625,395	14,354
		82,036	123,795				149,655
(6,105)							
<u>(6,105)</u>	<u>206,104</u>	<u>82,036</u>	<u>123,795</u>	<u>44,572</u>	<u>38,721</u>	<u>625,395</u>	<u>164,009</u>
<u>\$ 167</u>	<u>\$ 206,104</u>	<u>\$ 84,463</u>	<u>\$ 129,903</u>	<u>\$ 44,572</u>	<u>\$ 38,721</u>	<u>\$ 625,395</u>	<u>\$ 758,174</u>

	Special Revenue Funds				
	McConnell Center Fund	Recreation Programs Fund	Recreation Field Maintenance Fund	Library Fines Fund	Tuition Programs Fund
ASSETS					
Cash and short-term investments					
Investments					
Departmental receivable	\$ 43,843	\$ 82			
Intergovernmental receivables					\$ 2,550
Loans receivable					
Due from other funds		369,151	\$ 4,235	\$ 42,028	
Inventory					
Total Assets	<u>\$ 43,843</u>	<u>\$ 369,233</u>	<u>\$ 4,235</u>	<u>\$ 42,028</u>	<u>\$ 2,550</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 12,073	\$ 7,352	\$ 1,333	\$ 8,062	\$ 19,350
Accrued liabilities	799	7,133			
Retainage payable					
Deferred revenue					
Due to other funds					(20,928)
Advance from other fund	626,278				
Compensated absences					
Total Liabilities	<u>639,150</u>	<u>14,485</u>	<u>1,333</u>	<u>8,062</u>	<u>(1,578)</u>
Fund Balances:					
Nonspendable					
Restricted				33,966	4,128
Committed		354,748	2,902		
Assigned					
Unassigned	(595,307)				
Total Fund Balances (Deficit)	<u>(595,307)</u>	<u>354,748</u>	<u>2,902</u>	<u>33,966</u>	<u>4,128</u>
Total Liabilities and Fund Balances	<u>\$ 43,843</u>	<u>\$ 369,233</u>	<u>\$ 4,235</u>	<u>\$ 42,028</u>	<u>\$ 2,550</u>

Special Revenue Funds					Capital Projects Funds			
Vocational Center Fund	School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Subtotals	CIP FY 12	CIP FY 11	CIP FY10	CIP FY09
			\$ 1,808,756	\$ 1,808,756				
			2,785,688	2,785,688				
	\$ 3,984	\$ 9,793	683,212	922,481				
				1,054,336				
				577,618				
\$ 906	537,081	156,763		3,610,883		\$ (274,136)	\$ 1,329,513	\$ 1,878,527
				46,513				
<u>\$ 906</u>	<u>\$ 541,065</u>	<u>\$ 166,556</u>	<u>\$ 5,277,656</u>	<u>\$ 10,806,275</u>	<u>\$ -</u>	<u>\$ (274,136)</u>	<u>\$ 1,329,513</u>	<u>\$ 1,878,527</u>
	\$ 3,278	\$ 356	\$ 2,984	\$ 153,682	\$ 1,456	\$ 164,485	\$ 98,842	\$ 276,960
	137,159			333,008			138	
				55,752		74,527	435,627	17,814
			51	583,977				
	361,134		1,101,444	3,371,971	5,420			
				626,278				
<u>-</u>	<u>501,571</u>	<u>356</u>	<u>1,104,479</u>	<u>5,124,668</u>	<u>6,876</u>	<u>239,012</u>	<u>534,607</u>	<u>294,774</u>
			1,800,179	1,846,692				
			205,845	1,955,496			794,906	1,583,753
\$ 906	39,494	166,200	2,167,153	3,086,889				
				(1,207,470)	(6,876)	(513,148)		
<u>906</u>	<u>39,494</u>	<u>166,200</u>	<u>4,173,177</u>	<u>5,681,607</u>	<u>(6,876)</u>	<u>(513,148)</u>	<u>794,906</u>	<u>1,583,753</u>
<u>\$ 906</u>	<u>\$ 541,065</u>	<u>\$ 166,556</u>	<u>\$ 5,277,656</u>	<u>\$ 10,806,275</u>	<u>\$ -</u>	<u>\$ (274,136)</u>	<u>\$ 1,329,513</u>	<u>\$ 1,878,527</u>

Capital Projects Funds

	CIP FY08	CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03
ASSETS						
Cash and short-term investments						
Investments						
Departmental receivable				\$ 54,587		
Intergovernmental receivables						
Loans receivable						
Due from other funds	\$ 1,942,430		\$ 8,990		\$ 790,443	\$ 15,102
Inventory						
Total Assets	<u>\$ 1,942,430</u>	<u>\$ -</u>	<u>\$ 8,990</u>	<u>\$ 54,587</u>	<u>\$ 790,443</u>	<u>\$ 15,102</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 81,812	\$ 41,929		\$ 1	\$ 1,478	
Accrued liabilities						
Retainage payable	9,186			69,903		\$ 300
Deferred revenue						
Due to other funds		786,762		259,837		
Advance from other fund						
Compensated absences						
Total Liabilities	<u>90,998</u>	<u>828,691</u>	<u>-</u>	<u>329,741</u>	<u>1,478</u>	<u>300</u>
Fund Balances:						
Nonspendable						
Restricted	1,851,432		\$ 8,990		788,965	14,802
Committed						
Assigned						
Unassigned		(828,691)		(275,154)		
Total Fund Balances (Deficit)	<u>1,851,432</u>	<u>(828,691)</u>	<u>8,990</u>	<u>(275,154)</u>	<u>788,965</u>	<u>14,802</u>
Total Liabilities and Fund Balances	<u>\$ 1,942,430</u>	<u>\$ -</u>	<u>\$ 8,990</u>	<u>\$ 54,587</u>	<u>\$ 790,443</u>	<u>\$ 15,102</u>

Capital Projects Funds							Capital Projects Funds	
CIP FY02	CIP FY01	CIP FY00	Tolend Rd Landfill Closure	Cocheco River Dredge	Recreation Field Construction	Capital Purchases Fund	Subtotals	Total
						\$ 487,089	\$ 487,089	\$ 2,295,845
								2,785,688
							54,587	977,068
								1,054,336
								577,618
\$ 2,799	\$ 98,177		\$ 203,642	\$ 306,726	\$ 323,102		6,625,315	10,236,198
								46,513
<u>\$ 2,799</u>	<u>\$ 98,177</u>	<u>\$ -</u>	<u>\$ 203,642</u>	<u>\$ 306,726</u>	<u>\$ 323,102</u>	<u>\$ 487,089</u>	<u>\$ 7,166,991</u>	<u>\$ 17,973,266</u>
			\$ 3,950	\$ 2,353			\$ 673,266	\$ 826,948
							138	333,146
\$ 2,725							610,082	665,834
		\$ 41,948				\$ 25,453	1,119,420	583,977
								4,491,391
								626,278
<u>2,725</u>	<u>-</u>	<u>41,948</u>	<u>3,950</u>	<u>2,353</u>	<u>-</u>	<u>25,453</u>	<u>2,402,906</u>	<u>7,527,574</u>
74	\$ 98,177		199,692	304,373			5,645,164	1,846,692
					\$ 323,102	461,636	784,738	7,600,660
								3,871,627
		(41,948)					(1,665,817)	(2,873,287)
<u>74</u>	<u>98,177</u>	<u>(41,948)</u>	<u>199,692</u>	<u>304,373</u>	<u>323,102</u>	<u>461,636</u>	<u>4,764,085</u>	<u>10,445,692</u>
<u>\$ 2,799</u>	<u>\$ 98,177</u>	<u>\$ -</u>	<u>\$ 203,642</u>	<u>\$ 306,726</u>	<u>\$ 323,102</u>	<u>\$ 487,089</u>	<u>\$ 7,166,991</u>	<u>\$ 17,973,266</u>

Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances**

For Fiscal Year Ended June 30, 2011

	Special Revenue Funds				
	Community Development Fund	CDBG Recovery Fund	Housing Rehab Loan Fund	Economic Development Loan Fund	DOE Energy Efficiency Fund
Revenues:					
Taxes					
Licenses and permits					
Intergovernmental	\$ 56,255	\$ 46,322			\$ 110,786
Current services	22,247		\$ 7,024	\$ 50,342	
Miscellaneous	1,010				
Total Revenues	<u>79,512</u>	<u>46,322</u>	<u>7,024</u>	<u>50,342</u>	<u>110,786</u>
Expenditures:					
Current:					
General government		6,200			
Public safety					
Public works					152,632
Culture and recreation					
Education					
Human services	223,327		42,549	171,280	
Debt service					
Total Expenditures	<u>223,327</u>	<u>6,200</u>	<u>42,549</u>	<u>171,280</u>	<u>152,632</u>
Excess (deficiency) of revenues over expenditures	(143,815)	40,122	(35,525)	(120,938)	(41,846)
Other Financing Sources:					
Bond proceeds					
Transfers in (out)					
Net change in fund balances	(143,815)	40,122	(35,525)	(120,938)	(41,846)
Fund Balances, Beginning (Deficit)	<u>(137,089)</u>	<u>(38,512)</u>	<u>111,732</u>	<u>167,693</u>	<u>(101,234)</u>
Fund Balances, Ending (Deficit)	<u>\$ (280,904)</u>	<u>\$ 1,610</u>	<u>\$ 76,207</u>	<u>\$ 46,755</u>	<u>\$ (143,080)</u>

Special Revenue Funds

Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	Emergency Management Fund
\$ 348,115	\$ 84,320	\$ 130,000	\$ 40,064	\$ 126,600		\$ 67,241
<u>348,115</u>	<u>84,320</u>	<u>130,000</u>	<u>40,064</u>	<u>126,600</u>	<u>-</u>	<u>67,241</u>
446,881	242,842	129,101	29,658	159,030	\$ 94,903	65,456
<u>446,881</u>	<u>242,842</u>	<u>129,101</u>	<u>29,658</u>	<u>159,030</u>	<u>94,903</u>	<u>65,456</u>
(98,766)	(158,522)	899	10,406	(32,430)	(94,903)	1,785
<u>101,291</u>	<u>242,842</u>	<u></u>	<u>675</u>	<u></u>	<u></u>	<u>70,556</u>
2,525	84,320	899	11,081	(32,430)	(94,903)	72,341
<u>(82,429)</u>	<u>(66,914)</u>	<u>11,737</u>	<u>(5,719)</u>	<u>(7,143)</u>	<u>124,215</u>	<u>286,257</u>
\$ <u>(79,904)</u>	\$ <u>17,406</u>	\$ <u>12,636</u>	\$ <u>5,362</u>	\$ <u>(39,573)</u>	\$ <u>29,312</u>	\$ <u>358,598</u>

Special Revenue Funds					
	Radiology Emergency Response	DOI Fund	EPA Fund	School Cafeteria Fund	School Federal Aid Fund
Revenues:					
Taxes					
Licenses and permits					
Intergovernmental	\$ 22,278		\$ 76,064	\$ 635,003	\$ 2,950,207
Current services				777,377	
Miscellaneous					
Total Revenues	<u>22,278</u>	<u>-</u>	<u>76,064</u>	<u>1,412,380</u>	<u>2,950,207</u>
Expenditures:					
Current:					
General government			59,084		
Public safety					
Public works					
Culture and recreation					
Education				1,300,362	3,060,579
Human services					
Debt service					
Total Expenditures	<u>-</u>	<u>-</u>	<u>59,084</u>	<u>1,300,362</u>	<u>3,060,579</u>
Excess (deficiency) of revenues over expenditures	22,278		16,980	112,018	(110,372)
Other Financing Sources:					
Bond proceeds					
Transfers in (out)					
Net change in fund balances	22,278		16,980	112,018	(110,372)
Fund Balances, Beginning (Deficit)	<u>14,601</u>	<u>\$ 8,526</u>	<u>(63,113)</u>	<u>123,615</u>	<u>97,391</u>
Fund Balances, Ending (Deficit)	<u>\$ 36,879</u>	<u>\$ 8,526</u>	<u>\$ (46,133)</u>	<u>\$ 235,633</u>	<u>\$ (12,981)</u>

Special Revenue Funds

Special Programs Fund	Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund	Police Special Fund	SRT Fund
\$ 1,011,492					\$ 2,075	\$ 53,122
	\$ 19,975	\$ 9,331	\$ 213,878	\$ 385,892		
				89	4,373	2,022
<u>1,011,492</u>	<u>19,975</u>	<u>9,331</u>	<u>213,878</u>	<u>385,981</u>	<u>6,448</u>	<u>55,144</u>
	22,119					
		10,478	160,170	324,083	5,048	16,423
999,240						
<u>999,240</u>	<u>22,119</u>	<u>10,478</u>	<u>160,170</u>	<u>324,083</u>	<u>5,048</u>	<u>16,423</u>
12,252	(2,144)	(1,147)	53,708	61,898	1,400	38,721
			(62,500)	(55,709)		
12,252	(2,144)	(1,147)	(8,792)	6,189	1,400	38,721
<u>(15,735)</u>	<u>(3,961)</u>	<u>207,251</u>	<u>90,828</u>	<u>117,606</u>	<u>43,172</u>	
<u>\$ (3,483)</u>	<u>\$ (6,105)</u>	<u>\$ 206,104</u>	<u>\$ 82,036</u>	<u>\$ 123,795</u>	<u>\$ 44,572</u>	<u>\$ 38,721</u>

Special Revenue Funds					
	Conservation Fund	Solid Waste Fund	McConnell Center Fund	Recreation Programs Fund	Field Maintenance Fund
Revenues:					
Taxes	\$ 186,297				
Licenses and permits					
Intergovernmental					
Current services		\$ 915,889	\$ 723,929	\$ 295,542	\$ 12,140
Miscellaneous	500	129		10,784	
Total Revenues	<u>186,797</u>	<u>916,018</u>	<u>723,929</u>	<u>306,326</u>	<u>12,140</u>
Expenditures:					
Current:					
General government	239,285				
Public safety					
Public works		805,258	990		
Culture and recreation			304,210	304,577	42,028
Education					
Human services					
Debt service			406,394		
Total Expenditures	<u>239,285</u>	<u>805,258</u>	<u>711,594</u>	<u>304,577</u>	<u>42,028</u>
Excess (deficiency) of revenues over expenditures	(52,488)	110,760	12,335	1,749	(29,888)
Other Financing Sources:					
Bond proceeds					
Transfers in (out)	<u>(22,658)</u>		<u>84,238</u>	<u>15,500</u>	
Net change in fund balances	(75,146)	110,760	96,573	17,249	(29,888)
Fund Balances, Beginning (Deficit)	<u>700,541</u>	<u>53,249</u>	<u>(691,880)</u>	<u>337,499</u>	<u>32,790</u>
Fund Balances, Ending (Deficit)	<u>\$ 625,395</u>	<u>\$ 164,009</u>	<u>\$ (595,307)</u>	<u>\$ 354,748</u>	<u>\$ 2,902</u>

Special Revenue Funds

Library Fines Fund	Tuition Programs Fund	Vocational Center Fund	Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Subtotals
						\$ 186,297
					\$ 338,454	340,529
						5,757,869
						4,225,664
					960,265	979,172
\$ 38,724	\$ 324,044		\$ 278,936	\$ 150,394	1,298,719	11,489,531
<u>38,724</u>	<u>324,044</u>	<u>-</u>	<u>278,936</u>	<u>150,394</u>		
					3	326,691
					73,610	1,747,205
					21,619	990,977
44,249					10,029	705,093
	318,139		784,711	165,108	334	6,628,473
						437,156
						406,394
<u>44,249</u>	<u>318,139</u>	<u>-</u>	<u>784,711</u>	<u>165,108</u>	<u>105,595</u>	<u>11,241,989</u>
(5,525)	5,905		(505,775)	(14,714)	1,193,124	247,542
			447,000		(3,103)	818,132
(5,525)	5,905		(58,775)	(14,714)	1,190,021	1,065,674
<u>39,491</u>	<u>(1,777)</u>	\$ <u>906</u>	<u>98,269</u>	<u>180,914</u>	<u>2,983,156</u>	<u>4,615,933</u>
\$ <u>33,966</u>	\$ <u>4,128</u>	\$ <u>906</u>	\$ <u>39,494</u>	\$ <u>166,200</u>	\$ <u>4,173,177</u>	\$ <u>5,681,607</u>

Capital Projects Funds

	CIP FY 12	CIP FY 11	CIP FY10	CIP FY09	CIP FY08	CIP FY07
Revenues:						
Taxes						
Licenses and permits						
Intergovernmental						\$ 20,975
Current services						
Miscellaneous			\$ 19,945			100
Total Revenues	<u>-</u>	<u>-</u>	<u>19,945</u>	<u>-</u>	<u>-</u>	<u>21,075</u>
Expenditures:						
Current:						
General government				\$ 5,884		
Public safety		\$ 859,914	12,061		\$ 9,841	
Public works	\$ 6,876	200,236	598,845	550,300	1,155,469	22,885
Culture and recreation					17,195	
Education		1,975,631	859,166	179,620		
Human services						
Debt service						
Total Expenditures	<u>6,876</u>	<u>3,035,781</u>	<u>1,470,072</u>	<u>735,804</u>	<u>1,182,505</u>	<u>22,885</u>
Excess (deficiency) of revenues over expenditures	(6,876)	(3,035,781)	(1,450,127)	(735,804)	(1,182,505)	(1,810)
Other Financing Sources:						
Bond proceeds			250,000			
Transfers in (out)		195,420			(3,453)	
Net change in fund balances	(6,876)	(2,840,361)	(1,200,127)	(735,804)	(1,185,958)	(1,810)
Fund Balances, Beginning (Deficit)	<u>-</u>	<u>2,327,213</u>	<u>1,995,033</u>	<u>2,319,557</u>	<u>3,037,390</u>	<u>(826,881)</u>
Fund Balances, Ending (Deficit)	<u>\$ (6,876)</u>	<u>\$ (513,148)</u>	<u>\$ 794,906</u>	<u>\$ 1,583,753</u>	<u>\$ 1,851,432</u>	<u>\$ (828,691)</u>

Capital Projects Funds

CIP FY06	CIP FY05	CIP FY04	CIP FY03	CIP FY02	CIP FY01	CIP FY00
		\$ 3,000				
<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 203,972 12	\$ 27,264	\$ 131,769	\$ 40,678	\$ 278		
<u>203,984</u>	<u>27,264</u>	<u>131,769</u>	<u>40,678</u>	<u>278</u>	<u>-</u>	<u>-</u>
(203,984)	(27,264)	(128,769)	(40,678)	(278)		
(203,984)	(27,264)	(128,769)	(40,678)	(278)		
<u>212,974</u>	<u>(247,890)</u>	<u>917,734</u>	<u>55,480</u>	<u>352</u>	<u>\$ 98,177</u>	<u>\$ (41,948)</u>
<u>\$ 8,990</u>	<u>\$ (275,154)</u>	<u>\$ 788,965</u>	<u>\$ 14,802</u>	<u>\$ 74</u>	<u>\$ 98,177</u>	<u>\$ (41,948)</u>

Capital Projects Funds						
	Tolend Rd Landfill Closure	Cocheco River Dredge	Recreation Field Construction	Capital Purchases Fund	Subtotals	Total
Revenues:						
Taxes						\$ 186,297
Licenses and permits						340,529
Intergovernmental					\$ 20,975	5,778,844
Current services		\$ 607,628			610,628	4,836,292
Miscellaneous			\$ 103,168	\$ 563	123,776	1,102,948
Total Revenues	<u>-</u>	<u>607,628</u>	<u>103,168</u>	<u>563</u>	<u>755,379</u>	<u>12,244,910</u>
Expenditures:						
Current:						
General government					5,884	332,575
Public safety					882,094	2,629,299
Public works	\$ 2,710,453	107,208			5,755,955	6,746,932
Culture and recreation			2,174		19,381	724,474
Education					3,014,417	9,642,890
Human services						437,156
Debt service						406,394
Total Expenditures	<u>2,710,453</u>	<u>107,208</u>	<u>2,174</u>	<u>-</u>	<u>9,677,731</u>	<u>20,919,720</u>
Excess (deficiency) of revenues over expenditures	(2,710,453)	500,420	100,994	563	(8,922,352)	(8,674,810)
Other Financing Sources:						
Bond proceeds					250,000	250,000
Transfers in (out)			(100,000)	24,340	116,307	934,439
Net change in fund balances	(2,710,453)	500,420	994	24,903	(8,556,045)	(7,490,371)
Fund Balances, Beginning (Deficit)	<u>2,910,145</u>	<u>(196,047)</u>	<u>322,108</u>	<u>436,733</u>	<u>13,320,130</u>	<u>17,936,063</u>
Fund Balances, Ending (Deficit)	<u>\$ 199,692</u>	<u>\$ 304,373</u>	<u>\$ 323,102</u>	<u>\$ 461,636</u>	<u>\$ 4,764,085</u>	<u>\$ 10,445,692</u>

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Detail and Combining Budget and Actual Schedules

General Fund

The general fund is established to account for all resources obtained and used for those services commonly provided by the City which are not accounted for in any other fund. These services include, among other items: General government, public safety, public works, culture and recreation, education, human services, inter-governmental and debt service. The primary sources of revenue of the general fund are property taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

Detail Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes				
Property taxes	\$ 60,905,638	\$ 61,128,702	\$ 60,971,187	\$ (157,515)
Boat tax	15,000	15,000	16,903	1,903
Yield tax	1,500	1,500	4,651	3,151
Payment in lieu of taxes	57,000	55,000	75,847	20,847
Excavation tax	5,000	5,000	2,083	(2,917)
Railroad tax	910	910	2,732	1,822
National bank stock tax				
Tax interest and penalties	240,000	240,000	349,931	109,931
Total Taxes	<u>61,225,048</u>	<u>61,446,112</u>	<u>61,423,334</u>	<u>(22,778)</u>
Licenses and Permits				
Health licenses and permits	30,000	30,000	33,310	3,310
Building permits	275,000	275,000	476,848	201,848
Peddlers and vendors licenses	900	900	925	25
Motor vehicle permits	3,650,000	3,600,000	3,533,202	(66,798)
Electrical permits	70,000	70,000	106,834	36,834
Plumbing permits	65,000	65,000	145,128	80,128
Trailer park permits	175	175	150	(25)
Fire and rescue permits	2,900	2,900	19,685	16,785
Dog licenses	17,403	17,403	18,701	1,298
Marriage license fees	2,450	2,450	1,757	(693)
Birth, death and marriage certificates	22,002	22,002	19,531	(2,471)
Miscellaneous licenses and permits	6,880	6,880	7,510	630
Miscellaneous service charges			3,229	3,229
Sale of city property			590	590
Taxi licenses	500	500	1,165	665
Video and arcade licenses	1,200	1,200	750	(450)
Total Licenses and Permits	<u>4,144,410</u>	<u>4,094,410</u>	<u>4,369,315</u>	<u>274,905</u>
Intergovernmental				
Rooms and meals distribution	1,283,372	1,281,927	1,281,927	
Federal grant reimbursement	89,320	89,320	12,543	(76,777)
State reimbursement	16,620	16,620	14,153	(2,467)
Highway block grant	564,174	564,174	564,700	526
Miscellaneous Intergovernmental	60,398	60,398	113,792	53,394
Total Intergovernmental	<u>2,013,884</u>	<u>2,012,439</u>	<u>1,987,115</u>	<u>(25,324)</u>

(continued)

(continued)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Current Services				
Sales and service charges	1,335,125	1,335,125	1,152,150	(182,975)
Copy sales	400	400	318	(82)
Vending machine sales	5,200	5,200	4,175	(1,025)
Commissions	5,050	5,050	5,408	358
Ambulance services	825,000	825,000	742,250	(82,750)
Interment charges	55,750	55,750	30,175	(25,575)
Headstone foundations	5,000	5,000	512	(4,488)
Pro shop	15,000	15,000	14,182	(818)
Recreation charges	390,220	390,220	302,943	(87,277)
Non-resident charges	84,005	84,005	60,818	(23,187)
Food sales	53,000	53,000	45,211	(7,789)
Vending sales	20,000	20,000	9,142	(10,858)
Department overhead allocations	350,600	350,600	350,600	
Miscellaneous service charges	34,928	34,928	34,236	(692)
Total Current Services	<u>3,179,278</u>	<u>3,179,278</u>	<u>2,752,120</u>	<u>(427,158)</u>
Education				
Education revenue	7,258,177	7,258,177	7,329,678	71,501
Federal grant reimbursement	229,000	229,000	223,806	(5,194)
Miscellaneous intergovernmental	5,628,829	5,628,829	4,702,638	(926,191)
Miscellaneous revenue	95,000	95,000	112,769	17,769
Total Education Income	<u>13,211,006</u>	<u>13,211,006</u>	<u>12,368,891</u>	<u>(842,115)</u>
Miscellaneous				
Miscellaneous revenue	14,400	14,400	39,361	24,961
District court receipts	25,000	25,000	12,804	(12,196)
Miscellaneous fines and forfeits	14,500	14,500	21,912	7,412
Fundraising	50,500	50,500	25,210	(25,290)
Sale of city property	39,375	39,375	43,145	3,770
Investment income	288,161	38,161	(9,842)	(48,003)
Facilities rental	196,436	196,436	242,748	46,312
Interest on arrears			5,911	5,911
Equipment rental	10,760	10,760	2,639	(8,121)
Total Miscellaneous	<u>639,132</u>	<u>389,132</u>	<u>383,888</u>	<u>(5,244)</u>
Other Financing Sources				
Transfers in	297,781	680,781	578,649	(102,132)
Total Other Financing Sources	<u>297,781</u>	<u>680,781</u>	<u>578,649</u>	<u>(102,132)</u>
Total Revenues and Other Financing Sources	<u>\$ 84,710,539</u>	<u>\$ 85,013,158</u>	<u>\$ 83,863,312</u>	<u>\$ (1,149,846)</u>

Detail Schedule of Expenditures and Other Financing Uses

Budget and Actual - General Fund

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government				
City Council	\$ 315,739	\$ 311,644	\$ 242,004	\$ 69,640
Executive	792,952	797,047	737,000	60,047
Finance	1,454,047	1,454,047	1,396,940	57,107
Planning	432,644	432,644	428,195	4,449
Miscellaneous	1,576,973	2,007,846	1,751,434	256,412
Total General Government	<u>4,572,355</u>	<u>5,003,228</u>	<u>4,555,573</u>	<u>447,655</u>
Public Safety				
Police	6,368,421	6,123,421	6,119,396	4,025
Fire and rescue	6,361,128	6,687,128	6,686,086	1,042
Total Public Safety	<u>12,729,549</u>	<u>12,810,549</u>	<u>12,805,482</u>	<u>5,067</u>
Public Works				
Community Services - Public Works	5,248,083	5,161,082	4,960,169	200,913
Total Public Works	<u>5,248,083</u>	<u>5,161,082</u>	<u>4,960,169</u>	<u>200,913</u>
Culture and Recreation				
Recreation	2,310,441	2,230,441	2,040,988	189,453
Public Library	1,055,592	1,055,592	1,006,642	48,950
Total Culture and Recreation	<u>3,366,033</u>	<u>3,286,033</u>	<u>3,047,630</u>	<u>238,403</u>
Human Services				
Human Services	700,473	786,473	785,821	652
Total Human Services	<u>700,473</u>	<u>786,473</u>	<u>785,821</u>	<u>652</u>
Education				
School Department	40,468,900	40,553,900	39,781,057	772,843
Total Education	<u>40,468,900</u>	<u>40,553,900</u>	<u>39,781,057</u>	<u>772,843</u>
Debt Service				
Principal	6,724,495	6,724,496	6,724,496	
Interest	3,493,913	3,408,913	3,308,009	100,904
Total Debt Service	<u>10,218,408</u>	<u>10,133,409</u>	<u>10,032,505</u>	<u>100,904</u>
Intergovernmental				
County tax	7,161,525	7,033,271	7,033,271	
Total Intergovernmental	<u>7,161,525</u>	<u>7,033,271</u>	<u>7,033,271</u>	
Transfers				
Transfer out	245,213	245,213	245,213	
Total Transfers	<u>245,213</u>	<u>245,213</u>	<u>245,213</u>	
Total Expenditures and Other Financing Uses	<u>\$ 84,710,539</u>	<u>\$ 85,013,158</u>	<u>\$ 83,246,721</u>	<u>\$ 1,766,437</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 616,591</u>	<u>\$ 616,591</u>

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Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2011

	Parking Activity		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 669,513	\$ 374,933	\$ (294,580)
Intergovernmental			
Miscellaneous		11,018	11,018
Other financing sources			
Total Revenues	<u>669,513</u>	<u>385,951</u>	<u>(283,562)</u>
Expenditures:			
Public safety	670,442	381,576	288,866
Education			
Public works			
Culture and recreation			
Debt service			
Total Expenditures	<u>670,442</u>	<u>381,576</u>	<u>288,866</u>
Revenues and other financing sources over (under) expenditures	\$ <u>(929)</u>	\$ <u>4,375</u>	\$ <u>5,304</u>

Residential Solid Waste			Library Fines		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 1,061,802	\$ 915,889	\$ (145,913)	\$ 40,140	\$ 38,724	\$ (1,416)
	129	129			
			57,059		(57,059)
<u>1,061,802</u>	<u>916,018</u>	<u>(145,784)</u>	<u>97,199</u>	<u>38,724</u>	<u>(58,475)</u>
1,106,321	804,844	301,477			
			97,199	44,373	52,826
<u>1,106,321</u>	<u>804,844</u>	<u>301,477</u>	<u>97,199</u>	<u>44,373</u>	<u>52,826</u>
\$ <u>(44,519)</u>	\$ <u>111,174</u>	\$ <u>155,693</u>	\$ <u>-</u>	\$ <u>(5,649)</u>	\$ <u>(5,649)</u>

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2011

	Tuition Programs		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 348,761	\$ 324,044	\$ (24,717)
Intergovernmental			
Miscellaneous revenue			
Other financing sources			
Total Revenues	<u>348,761</u>	<u>324,044</u>	<u>(24,717)</u>
Expenditures:			
Public safety			
Education	348,761	318,139	30,622
Public works			
Culture and recreation			
Debt service			
Total Expenditures	<u>348,761</u>	<u>318,139</u>	<u>30,622</u>
Revenues and other financing sources over (under) expenditures	\$ <u>-</u>	\$ <u>5,905</u>	\$ <u>5,905</u>

School Alternative Education			School Facilities		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 415,300	\$ 278,936	\$ (136,364)	\$ 117,075	\$ 150,394	\$ 33,319
<u>447,000</u>	<u>447,000</u>				
<u>862,300</u>	<u>725,936</u>	<u>(136,364)</u>	<u>117,075</u>	<u>150,394</u>	<u>33,319</u>
863,820	783,665	80,155	117,827	167,588	(49,761)
<u>863,820</u>	<u>783,665</u>	<u>80,155</u>	<u>117,827</u>	<u>167,588</u>	<u>(49,761)</u>
\$ <u>(1,520)</u>	\$ <u>(57,729)</u>	\$ <u>(56,209)</u>	\$ <u>(752)</u>	\$ <u>(17,194)</u>	\$ <u>(16,442)</u>

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2011

	McConnell Center		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 732,602	\$ 723,929	\$ (8,673)
Intergovernmental			
Miscellaneous			
Other financing sources	84,238	84,238	
Total Revenues	<u>816,840</u>	<u>808,167</u>	<u>(8,673)</u>
Expenditures:			
Public safety			
Education			
Public works			
Culture and recreation	412,131	307,698	104,433
Debt service	406,394	406,394	
Total Expenditures	<u>818,525</u>	<u>714,092</u>	<u>104,433</u>
Revenues and other financing source over (under) expenditures	\$ <u>(1,685)</u>	\$ <u>94,075</u>	\$ <u>95,760</u>

Police DHA Fund			School Cafeteria		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 137,355	\$ 130,000	\$ (7,355)	\$ 903,341 444,000	\$ 777,377 635,003	\$ (125,964) 191,003
<u>137,355</u>	<u>130,000</u>	<u>(7,355)</u>	<u>1,347,341</u>	<u>1,412,380</u>	<u>65,039</u>
137,355	129,101	8,254	1,347,341	1,300,359	46,982
<u>137,355</u>	<u>129,101</u>	<u>8,254</u>	<u>1,347,341</u>	<u>1,300,359</u>	<u>46,982</u>
\$ <u>-</u>	\$ <u>899</u>	\$ <u>899</u>	\$ <u>-</u>	\$ <u>112,021</u>	\$ <u>112,021</u>

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Enterprise Funds

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

The City of Dover has the following Enterprise Funds:

Water Fund: To account for the operation of a water treatment plant, City wells and water system.

Sewer Fund: To account for the operation of a sewer treatment plant, pumping station and sewer lines.

DBIDA Fund: To account for the economic development projects of the Dover Business Industrial Development Authority (DBIDA), which operates under RSA 162-G.

No annual budget is adopted for the DBIDA Fund.

Enterprise Funds

Schedule of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2011

		Water Fund	
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 4,420,115	\$ 4,221,145	\$ (198,970)
Other	21,000	49,190	28,190
Total Operating Revenues	<u>4,441,115</u>	<u>4,270,335</u>	<u>(170,780)</u>
Operating Expenses:			
Personnel services	1,122,905	1,226,372	(103,467)
Purchased services	268,138	263,939	4,199
Supplies and materials	635,610	516,647	118,963
Minor equipment	87,170	66,243	20,927
Other	157,890	160,448	(2,558)
Depreciation	1,010,000	741,785	268,215
Total Operating Expenses	<u>3,281,713</u>	<u>2,975,434</u>	<u>306,279</u>
Operating Income (Loss)	<u>1,159,402</u>	<u>1,294,901</u>	<u>135,499</u>
Non-Operating Income (Expenses):			
Investment Income		71,515	71,515
Interest expense	(476,272)	(444,874)	31,398
Intergovernmental			
Total Non-Operating Income (Expenses)	<u>(476,272)</u>	<u>(373,359)</u>	<u>102,913</u>
Net Income (Loss) Before Transfers	<u>683,130</u>	<u>921,542</u>	<u>238,412</u>
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(517,811)	(512,060)	5,751
Total Other Financing Sources and Uses	<u>(517,811)</u>	<u>(512,060)</u>	<u>5,751</u>
Net Income (Loss)	<u>\$ 165,319</u>	<u>\$ 409,482</u>	<u>\$ 244,163</u>

	Sewer Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 4,814,325	\$ 4,327,615	\$ (486,710)
Other	32,000	57,531	25,531
Total Operating Revenues	<u>4,846,325</u>	<u>4,385,146</u>	<u>(461,179)</u>
Operating Expenses:			
Personnel services	1,479,469	1,479,959	(490)
Purchased services	276,151	288,385	(12,234)
Supplies and materials	993,706	817,803	175,903
Minor equipment	80,230	58,923	21,307
Other	211,900	227,423	(15,523)
Depreciation	2,053,451	2,006,379	47,072
Total Operating Expenses	<u>5,094,907</u>	<u>4,878,872</u>	<u>216,035</u>
Operating Income (Loss)	<u>(248,582)</u>	<u>(493,726)</u>	<u>(245,144)</u>
Non-Operating Income (Expenses):			
Investment Income		125,327	125,327
Interest expense	(464,918)	(379,020)	85,898
Intergovernmental	160,285	77,679	(82,606)
Total Non-Operating Income (Expenses)	<u>(304,633)</u>	<u>(176,014)</u>	<u>128,619</u>
Net Income (Loss) Before Transfers	<u>(553,215)</u>	<u>(669,740)</u>	<u>(116,525)</u>
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(437,125)	(430,821)	6,304
Total Other Financing Sources and Uses	<u>(437,125)</u>	<u>(430,821)</u>	<u>6,304</u>
Net Income (Loss)	<u>\$ (990,340)</u>	<u>\$ (1,100,561)</u>	<u>\$ (110,221)</u>

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Internal Service Funds

- Dover Net Fund – To account for the costs related to the operations of the information technology network and the allocation of these costs to the various funds and functions.
- Central Stores Fund – To account for the costs related to the supplies, copiers and postage and the allocation of these costs to the various funds and functions based on actual use.
- Fleet Maintenance Fund – To account for the maintenance costs related to the vehicle fleet and the allocation of these costs to the various funds and functions based on actual use.
- Workers Compensation Fund – To account for the cost of administration, insurance and claims for workers compensation and the allocation of these costs to the various funds and functions based on historical wage and claims history.

Internal Service Funds**Combining Statement of Net Assets**

June 30, 2011

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
ASSETS						
Current:						
Departmental and other receivables	\$ 50,465		\$ 3,604			\$ 54,069
Due from (to) other funds	308,802	\$ 53,150	(27,605)	\$ 973,451	\$ (104,392)	1,203,406
Prepaid expenses			1,910	20,000	104,392	126,302
Inventory			55,638			55,638
Total Assets	<u>359,267</u>	<u>53,150</u>	<u>33,547</u>	<u>993,451</u>	<u>-</u>	<u>1,439,415</u>
LIABILITIES						
Current:						
Accounts payable	12,527	1,996	15,850			30,373
Accrued liabilities	3,412		5,102			8,514
Claims liability				217,216		217,216
Compensated absences	18,399		25,126			43,525
Total Current Liabilities	<u>34,338</u>	<u>1,996</u>	<u>46,078</u>	<u>217,216</u>	<u>-</u>	<u>299,628</u>
Non-current:						
Claims liability, net of current portion				140,788		140,788
Total Liabilities	<u>34,338</u>	<u>1,996</u>	<u>46,078</u>	<u>358,004</u>	<u>-</u>	<u>440,416</u>
NET ASSETS						
Restricted for capital projects	157,674					157,674
Unrestricted	<u>167,255</u>	<u>51,154</u>	<u>(12,531)</u>	<u>635,447</u>	<u>-</u>	<u>841,325</u>
Total Net Assets	<u>\$ 324,929</u>	<u>\$ 51,154</u>	<u>\$ (12,531)</u>	<u>\$ 635,447</u>	<u>\$ -</u>	<u>\$ 998,999</u>

Internal Service Funds

Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets

For Fiscal Year Ended June 30, 2011

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
Operating Revenues:						
Charges for services	\$ 218,243	\$ 85,104	\$ 572,648	\$ 389,397		\$ 1,265,392
Miscellaneous	287,171		33,967			321,138
Total Operating Revenues	<u>505,414</u>	<u>85,104</u>	<u>606,615</u>	<u>389,397</u>	<u>-</u>	<u>1,586,530</u>
Operating Expenses:						
Personal services	252,520		393,850	108,055	\$ 955,453	1,709,878
Purchased services	279,959	57,459	5,334	239,037		581,789
Supplies	147,813	33,264	15,996			197,073
Minor equipment	30,831		25			30,856
Other expenses			224,616	13,956		238,572
Total Operating Expenses	<u>711,123</u>	<u>90,723</u>	<u>639,821</u>	<u>361,048</u>	<u>955,453</u>	<u>2,758,168</u>
Operating Income (Loss)	<u>(205,709)</u>	<u>(5,619)</u>	<u>(33,206)</u>	<u>28,349</u>	<u>(955,453)</u>	<u>(1,171,638)</u>
Other Financing Sources (Uses)						
Transfer in (out)	(4,395)		(21,129)		955,453	929,929
Intergovernmental						
Total Other Financing Sources (Uses)	<u>(4,395)</u>		<u>(21,129)</u>		<u>955,453</u>	<u>929,929</u>
Change in Net Assets	(210,104)	(5,619)	(54,335)	28,349		(241,709)
Net Assets at Beginning of Year	<u>535,033</u>	<u>56,773</u>	<u>41,804</u>	<u>607,098</u>		<u>1,240,708</u>
Net Assets at End of Year	<u>\$ 324,929</u>	<u>\$ 51,154</u>	<u>\$ (12,531)</u>	<u>\$ 635,447</u>	<u>\$ -</u>	<u>\$ 998,999</u>

Internal Service Funds

Combining Statement of Cash Flows

For Fiscal Year Ended June 30, 2011

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
Cash Flows From Operating Activities:						
Receipts from customers and users for services	\$ 501,586	\$ 85,104	\$ 607,550	\$ 390,452		\$ 1,584,692
Payments to vendors and contractors	(449,931)	(92,083)	(244,632)	(295,656)	\$ (851,061)	(1,933,363)
Payments of employee salaries and benefits	(249,967)		(397,832)	(76,375)		(724,174)
Receipts for interfund service provided	202,707	6,979	56,043			265,729
Payments for interfund service provided				(18,421)	(104,392)	(122,813)
Net Cash Provided By (Used For) Operating Activities	<u>4,395</u>	<u>-</u>	<u>21,129</u>	<u>-</u>	<u>(955,453)</u>	<u>(929,929)</u>
Cash Flows From Noncapital Financing Activities:						
Transfer in					955,453	955,453
Transfer out	(4,395)		(21,129)			(25,524)
Intergovernmental subsidy						
Net Cash Provided By Noncapital Financing Activities	<u>(4,395)</u>	<u>-</u>	<u>(21,129)</u>	<u>-</u>	<u>955,453</u>	<u>929,929</u>
Cash and Short Term Investments, Beginning of Year						
Cash and Short Term Investments, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:						
Operating income (loss)	\$ (205,709)	\$ (5,619)	\$ (33,206)	\$ 28,349	\$ (955,453)	\$ (1,171,638)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Changes in assets and liabilities						
Inventory			(8,841)			(8,841)
Departmental and other receivables	(3,828)		935	1,055		(1,838)
Interfund receivables/payables	202,707	6,979	56,043	(18,421)	(104,392)	142,916
Other assets				(20,000)	104,392	84,392
Accounts payable	8,672	(1,360)	10,180	(22,663)		(5,171)
Accrued liabilities	(3,129)		(5,316)	31,680		23,235
Compensated absences	5,682		1,334			7,016
Net Cash Provided By (Used For) Operating Activities	<u>\$ 4,395</u>	<u>\$ -</u>	<u>\$ 21,129</u>	<u>\$ -</u>	<u>\$ (955,453)</u>	<u>\$ (929,929)</u>

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Internal Service Funds

Schedule of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2011

	Dover Net Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 219,813	\$ 218,243	\$ (1,570)
Other revenue	250,500	287,171	36,671
Total Operating Revenues	<u>470,313</u>	<u>505,414</u>	<u>35,101</u>
Operating Expenses:			
Personnel services	292,820	252,518	40,302
Purchased services	168,207	286,937	(118,730)
Supplies and materials	8,768	147,837	(139,069)
Minor equipment	543,523	44,962	498,561
Other	100,860		100,860
Total Operating Expenses	<u>1,114,178</u>	<u>732,254</u>	<u>381,924</u>
Operating Income (Loss)	(643,865)	(226,840)	417,025
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>(643,865)</u>	<u>(226,840)</u>	<u>417,025</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers out	<u>(4,395)</u>	<u>(4,395)</u>	
Total Other Financing Sources and Uses	<u>(4,395)</u>	<u>(4,395)</u>	
Net Income (Loss)	<u>\$ (648,260)</u>	<u>\$ (231,235)</u>	<u>\$ 417,025</u>

	Central Stores Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 106,935	\$ 85,104	\$ (21,831)
Other revenue			
Total Operating Revenues	<u>106,935</u>	<u>85,104</u>	<u>(21,831)</u>
Operating Expenses:			
Personnel services			
Purchased services	70,322	57,460	12,862
Supplies and materials	38,050	33,264	4,786
Minor equipment			
Other			
Total Operating Expenses	<u>108,372</u>	<u>90,724</u>	<u>17,648</u>
Operating Income (Loss)	(1,437)	(5,620)	(4,183)
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>(1,437)</u>	<u>(5,620)</u>	<u>(4,183)</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	<u>\$ (1,437)</u>	<u>\$ (5,620)</u>	<u>\$ (4,183)</u>

	Fleet Maintenance Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 547,608	\$ 572,648	\$ 25,040
Other revenue	33,967	33,967	
Total Operating Revenues	<u>581,575</u>	<u>606,615</u>	<u>25,040</u>
Operating Expenses:			
Personnel services	399,831	393,851	5,980
Purchased services	5,599	5,334	265
Supplies and materials	18,770	15,996	2,774
Minor equipment	400	25	375
Other	203,635	224,616	(20,981)
Total Operating Expenses	<u>628,235</u>	<u>639,822</u>	<u>(11,587)</u>
Operating Income (Loss)	(46,660)	(33,207)	13,453
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>(46,660)</u>	<u>(33,207)</u>	<u>13,453</u>
Other Financing Sources and Uses			
Use of retained earnings	69,993		(69,993)
Transfers out	<u>(23,333)</u>	<u>(23,333)</u>	
Total Other Financing Sources and Uses	<u>46,660</u>	<u>(23,333)</u>	<u>(69,993)</u>
Net Income (Loss)	<u>\$</u>	<u>\$ (56,540)</u>	<u>\$ (56,540)</u>

	Workers Compensation Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 390,545	\$ 389,397	\$ (1,148)
Other revenue			
Total Operating Revenues	<u>390,545</u>	<u>389,397</u>	<u>(1,148)</u>
Operating Expenses:			
Personnel services	326,872	108,056	218,816
Purchased services	41,101	251,049	(209,948)
Supplies and materials			
Minor equipment			
Other	34,262	13,956	20,306
Total Operating Expenses	<u>402,235</u>	<u>373,061</u>	<u>29,174</u>
Operating Income (Loss)	(11,690)	16,336	28,026
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	<u>(11,690)</u>	<u>16,336</u>	<u>28,026</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	<u>\$ (11,690)</u>	<u>\$ 16,336</u>	<u>\$ 28,026</u>

Fiduciary Funds

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds.

Agency Funds:

- Performance Bonds – To account for funds received from contractors doing work for the City to insure the City against the contractor's failure to complete the request.
- Chamber of Commerce – To account for funds received from Chamber of Commerce for its Riverwalk Project.
- Department Agency – To account for funds received from other organizations for activities administered by various City departments.
- School Agency – To account for funds received from other organizations for activities administered by the Dover School Department.

Private Purpose Funds:

- Cemetery – To account for private donations left in trust to maintain graves and provide flowers.
- Parks and Recreation – To account for private donations left in trust to assist individuals attending various recreational programs.
- Welfare – To account for private donations left in trust for the benefit of low or moderate income individuals.
- School – To account for private donations left in trust mainly for the benefit of providing scholarships to high school graduates.

Agency Funds**Combining Statement of Assets and Liabilities**

June 30, 2011

	Performance Deposits	Chamber of Commerce	Department Agency	School Agency	Total
ASSETS					
Cash and short-term investments				\$ 247,960	\$ 247,960
Due from other funds	\$ 831,007	\$ 3,083	\$ 27,716	8,668	870,474
Total Assets	<u>\$ 831,007</u>	<u>\$ 3,083</u>	<u>\$ 27,716</u>	<u>\$ 256,628</u>	<u>\$ 1,118,434</u>
LIABILITIES					
Other liabilities	\$ 831,007	\$ 3,083	\$ 27,716	\$ 256,628	\$ 1,118,434
Total Liabilities	<u>\$ 831,007</u>	<u>\$ 3,083</u>	<u>\$ 27,716</u>	<u>\$ 256,628</u>	<u>\$ 1,118,434</u>

Agency Funds

Combining Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Performance Deposits				
Assets - due from other funds	\$ <u>769,807</u>	\$ <u>325,287</u>	\$ <u>(264,087)</u>	\$ <u>831,007</u>
Liabilities - other liabilities	\$ <u>769,807</u>	\$ <u>589,619</u>	\$ <u>(528,419)</u>	\$ <u>831,007</u>
 Chamber of Commerce				
Assets - due from other funds	\$ <u>3,083</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,083</u>
Liabilities - other liabilities	\$ <u>3,083</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,083</u>
 Department Agency				
Assets - due from other funds	\$ <u>37,150</u>	\$ <u>23,053</u>	\$ <u>(32,487)</u>	\$ <u>27,716</u>
Liabilities - other liabilities	\$ <u>37,150</u>	\$ <u>61,031</u>	\$ <u>(70,465)</u>	\$ <u>27,716</u>
 School Agency				
Assets - cash	\$ 254,042	\$ 733,528	\$ (739,609)	\$ 247,961
Assets - due from other funds	9,229	8,708	(9,270)	8,667
Total Assets	\$ <u>263,271</u>	\$ <u>742,236</u>	\$ <u>(748,879)</u>	\$ <u>256,628</u>
Liabilities - other liabilities	\$ <u>263,271</u>	\$ <u>742,236</u>	\$ <u>(748,879)</u>	\$ <u>256,628</u>
 Totals				
Assets - cash	\$ 254,042	\$ 733,528	\$ (739,609)	\$ 247,961
Assets - due from other funds	819,269	357,048	(305,844)	870,473
Total Assets	\$ <u>1,073,311</u>	\$ <u>1,090,576</u>	\$ <u>(1,045,453)</u>	\$ <u>1,118,434</u>
Liabilities - other liabilities	\$ <u>1,073,311</u>	\$ <u>1,392,886</u>	\$ <u>(1,347,763)</u>	\$ <u>1,118,434</u>

Private Purpose Trust Funds**Combining Statement of Fiduciary Net Assets**

June 30, 2011

	Cemetery	Parks and Recreation	Welfare	School	Total
ASSETS					
Due from other funds	\$ <u>183,274</u>	\$ <u>46,471</u>	\$ <u>114,406</u>	\$ <u>397,032</u>	\$ <u>741,183</u>
Total Assets	\$ <u><u>183,274</u></u>	\$ <u><u>46,471</u></u>	\$ <u><u>114,406</u></u>	\$ <u><u>397,032</u></u>	\$ <u><u>741,183</u></u>
LIABILITIES AND NET ASSETS					
Accounts payable	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET ASSETS					
Total Net Assets Held in Trust	\$ <u><u>183,274</u></u>	\$ <u><u>46,471</u></u>	\$ <u><u>114,406</u></u>	\$ <u><u>397,032</u></u>	\$ <u><u>741,183</u></u>

Private Purpose Trust Funds

Combining Statement of Changes in Fiduciary Net Assets

For Fiscal Year Ended June 30, 2011

	Cemetery	Parks and Recreation	Welfare	School	Total
Additions:					
Investment income	\$ 19,035	\$ 4,651	\$ 8,651	\$ 22,674	\$ 55,011
Total Additions	<u>19,035</u>	<u>4,651</u>	<u>8,651</u>	<u>22,674</u>	<u>55,011</u>
Deductions:					
Disbursements by agent	<u>3,399</u>	<u>614</u>	<u>1,397</u>	<u>21,254</u>	<u>26,664</u>
Total Deductions	<u>3,399</u>	<u>614</u>	<u>1,397</u>	<u>21,254</u>	<u>26,664</u>
Net Increase	15,636	4,037	7,254	1,420	28,347
Net Assets:					
Beginning of Year	<u>167,638</u>	<u>42,434</u>	<u>107,152</u>	<u>395,612</u>	<u>712,836</u>
End of Year	<u>\$ 183,274</u>	<u>\$ 46,471</u>	<u>\$ 114,406</u>	<u>\$ 397,032</u>	<u>\$ 741,183</u>

STATISTICAL SECTION

City of Dover, New Hampshire

Statistical Section

The City of Dover's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Page

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

136 -144

Revenue Capacity

These schedules contain information to help reader assess the government's most significant local revenue source, the property tax.

145 -150

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

151 -153

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

154 -155

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

156 -161

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Dover, New Hampshire

Net Assets by Component

Last Ten Fiscal Years (2)

(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities									
Invested in capital assets, net of related debt (1)	\$ 47,842,554	\$ 50,841,722	\$ 53,992,080	\$ 56,387,047	\$ 57,412,322	\$60,502,720	\$ 76,018,355	\$ 80,024,915	\$ 84,864,320
Restricted	449,317	467,560	135,140	135,519	220,907	706,857	239,781	357,330	3,755,675
Unrestricted	(3,376,706)	(4,956,172)	(5,048,192)	334,752	2,143,471	1,555,309	(4,425,923)	(4,296,357)	(6,828,784)
Total governmental activities net assets	\$ 44,915,163	\$ 46,353,110	\$ 49,079,028	\$ 56,857,318	\$ 59,776,700	\$ 62,764,886	\$ 71,832,213	\$ 76,085,888	\$ 81,791,211
Business-type activities									
Invested in capital assets, net of related debt	\$ 50,262,498	\$ 49,960,529	\$ 49,129,986	\$ 49,120,227	\$ 49,735,238	\$ 51,471,577	\$ 46,561,358	\$ 48,633,637	\$ 50,765,070
Restricted	908,920	1,548,748	2,961,035	2,628,641	3,619,664	5,630,120	6,388,298	6,692,028	1,694,773
Unrestricted	3,890,445	3,777,266	3,499,041	3,591,882	1,527,399	(2,037,985)	5,702,564	2,367,829	5,792,867
Total business-type activities net assets	\$ 55,061,863	\$ 55,286,533	\$ 55,599,062	\$ 55,340,750	\$ 54,882,301	\$ 55,063,712	\$ 58,652,220	\$ 57,693,494	\$ 58,252,710
Primary government									
Invested in capital assets, net of related debt	\$ 98,105,052	\$ 100,802,251	\$ 103,122,066	\$ 105,507,274	\$ 107,147,560	\$ 111,974,297	\$ 122,579,713	\$ 128,658,552	\$ 135,629,390
Restricted	1,358,237	2,016,308	3,096,175	2,764,160	3,840,571	6,336,777	6,628,079	7,049,358	5,450,448
Unrestricted	513,737	(1,178,916)	(1,549,151)	3,926,634	3,670,870	(482,676)	1,276,641	(1,928,528)	(1,035,917)
Total primary government net assets	\$ 99,977,026	\$ 101,639,643	\$ 104,669,090	\$ 112,198,068	\$ 114,659,001	\$ 117,828,398	\$ 130,484,433	\$ 133,779,382	\$ 140,043,921

Notes:

- (1) Net assets invested in capital assets, net of related debt were restated for FY03 and FY04.
- (2) The City will continue to annually report information until this schedule includes 10 fiscal years.

City of Dover, New Hampshire

Changes in Net Assets

Last Ten Fiscal Years (1)

(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Expenses										
Governmental activities:										
General government	\$ 3,745,857	\$ 3,809,832	\$ 4,833,784	\$ 3,670,881	\$ 3,834,147	\$ 4,926,090	\$ 3,177,368	\$ 3,483,389	\$ 6,120,791	
Public safety	9,713,495	10,657,493	10,284,604	12,865,806	13,974,459	14,090,578	16,154,098	17,405,207	16,052,207	
Public works	7,995,930	6,739,382	6,972,709	6,128,400	8,380,719	8,289,627	10,621,805	11,922,320	4,861,919	
Culture and recreation	2,985,494	2,911,587	2,349,885	2,882,727	3,655,755	3,468,304	3,969,804	3,496,166	3,313,255	
Education	36,502,911	37,408,903	37,715,317	41,198,155	42,505,294	45,032,173	45,929,648	45,268,003	48,789,847	
Human services	630,133	1,481,363	1,156,326	1,310,008	1,445,035	1,099,641	740,125	861,608	813,196	
Intergovernmental	3,695,246	4,839,183	4,336,892	5,454,815	5,750,204	5,922,221	6,772,323	7,030,640	7,033,271	
Interest	1,492,822	1,848,763	1,815,709	2,108,107	2,813,594	3,098,791	3,131,043	3,287,626	3,448,823	
Miscellaneous	318,758	-	-	-	-	-	-	-	-	
Total governmental activities expenses	67,080,646	69,294,516	69,465,226	78,618,899	82,359,217	85,927,425	90,196,214	92,756,959	90,453,309	
Business-type activities:										
Water services	2,326,346	2,521,875	2,779,842	2,977,351	3,304,778	3,430,042	3,362,625	3,745,551	3,414,368	
Sewer services	4,327,567	4,566,230	4,647,438	4,997,819	5,043,665	5,017,000	5,472,366	5,426,802	5,227,382	
Arena services	1,151,200	1,262,538	1,314,389	1,418,234	1,481,949	1,427,762	39,516	-	-	
DBIDA services	7,098	7,894	5,879	81,943	144,500	138,441	177,886	298,878	312,954	
Total business-type activities expenses	7,812,211	8,358,537	8,747,548	9,475,147	9,974,892	10,013,245	9,052,393	9,471,231	8,954,704	
Total primary government expenses	\$ 74,892,857	\$ 77,653,053	\$ 78,212,774	\$ 88,094,046	\$ 92,334,109	\$ 95,940,670	\$ 99,248,607	\$ 102,228,190	\$ 99,408,013	
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 1,484,034	\$ 871,799	\$ 1,312,097	\$ 1,606,618	\$ 1,310,610	\$ 1,149,111	\$ 916,590	\$ 2,085,157	\$ 1,631,363	
Public safety	1,235,206	806,821	437,825	603,642	1,275,129	1,338,480	1,794,657	1,872,986	2,339,389	
Public works	868,676	1,260,514	2,810,817	1,307,824	1,544,584	2,936,784	1,253,462	1,231,521	1,817,936	
Culture and recreation	403,968	718,942	601,361	591,904	659,630	650,656	1,242,867	1,463,061	1,757,855	
Education	9,004,003	12,951,805	13,493,145	13,630,851	14,030,649	14,070,236	14,929,866	7,167,991	6,379,842	
Human services	6,230	11,749	196,545	136,057	55,192	180,485	82,006	81,955	214,171	
Miscellaneous	54,573	-	-	-	-	-	-	-	-	
Total charges for services	13,056,890	18,621,630	18,851,890	17,879,896	18,875,803	20,323,732	20,219,448	13,902,871	14,140,556	
Operating grants and contributions	9,116,737	6,724,481	6,284,743	6,061,067	7,100,396	6,582,484	9,278,478	18,091,830	15,094,862	
Capital grants and contributions	1,691,916	1,768,318	919,502	1,213,101	970,772	1,026,815	2,993,635	904,887	719,491	
Total governmental activities program revenues	23,865,543	25,114,429	26,056,135	25,154,064	26,946,971	27,933,031	32,492,561	32,998,368	29,954,909	
Business-type activities:										
Charges for services										
Water services	3,158,780	3,027,514	3,197,227	3,406,598	3,379,209	4,011,582	3,986,112	3,961,121	4,671,077	
Sewer services	4,196,982	3,928,891	4,019,804	3,934,859	3,767,878	4,129,003	4,080,736	4,095,345	4,506,884	
Arena services	783,190	1,062,556	1,202,974	1,264,746	1,461,474	1,568,828	-	-	-	
DBIDA services	-	-	250	44,701	268,973	138,353	129,235	175,787	168,854	
Total charges for services	8,138,952	8,018,961	8,420,255	8,650,904	8,877,534	9,847,746	8,176,083	8,232,253	9,346,815	
Operating grants and contributions	-	-	-	-	-	-	-	-	-	
Capital grants and contributions	512,554	474,062	612,578	538,839	552,375	240,877	424,092	134,611	77,679	
Total business-type activities program revenues	8,651,506	8,493,023	9,032,831	9,189,743	9,429,909	10,088,623	8,600,175	8,366,864	9,424,494	
Total primary government program revenues	\$ 32,517,049	\$ 33,607,452	\$ 35,088,966	\$ 34,343,807	\$ 36,376,880	\$ 38,021,654	\$ 41,092,736	\$ 41,265,252	\$ 39,379,403	
Net (Expenses)/Revenue										
Governmental activities	\$ (43,215,103)	\$ (44,180,087)	\$ (43,409,091)	\$ (53,464,835)	\$ (55,412,246)	\$ (57,994,394)	\$ (57,703,653)	\$ (59,857,571)	\$ (60,498,400)	
Business-type activities	839,295	134,488	285,283	(285,404)	(544,983)	75,378	(452,218)	(1,104,367)	469,790	
Total primary government net expense	\$ (42,375,808)	\$ (44,045,601)	\$ (43,123,808)	\$ (53,750,239)	\$ (55,957,229)	\$ (57,919,016)	\$ (58,155,871)	\$ (60,961,938)	\$ (60,028,610)	
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	\$ 38,969,984	\$ 41,202,971	\$ 44,469,792	\$ 49,606,220	\$ 52,129,249	\$ 55,835,213	\$ 58,489,588	\$ 60,266,022	\$ 61,572,865	
Motor vehicle registration tax	3,719,694	3,844,146	3,923,934	3,968,620	3,927,069	3,803,303	3,692,119	3,567,586	3,533,202	
Penalties, interest and other taxes	196,283	218,578	8,419	4,391	16,009	25,037	8,354	307,005	358,594	
Unrestricted investment income/(loss)	244,495	334,854	433,788	1,008,421	1,811,978	1,110,037	16,804	(108,998)	719,982	
Other revenue	223,362	100,160	123,533	232,575	447,325	208,790	494,196	207,849	98,760	
Loss on sale of capital assets	-	-	(40,109)	-	-	-	-	-	-	
Extraordinary item	-	-	(2,793,947)	6,395,994	-	-	-	-	-	
Transfers, net	14,524	(82,675)	9,589	26,804	-	-	(1,227,259)	(130,000)	(82,120)	
Total governmental activities	43,368,342	45,618,034	46,135,009	61,243,125	58,331,628	60,982,360	61,473,802	64,109,464	66,201,293	
Business-type activities:										
Investment income	11,042	7,509	27,845	52,496	86,533	106,033	40,213	15,641	7,309	
Other Revenue	-	-	-	10,500	-	-	-	-	-	
Transfers, net	(14,524)	82,675	(9,589)	(26,804)	-	-	1,227,259	130,000	82,120	
Total business-type activities	(3,482)	90,184	18,246	36,092	86,533	106,033	1,267,472	145,641	89,429	
Total primary government	\$ 43,364,860	\$ 45,708,218	\$ 46,153,255	\$ 61,279,217	\$ 58,418,161	\$ 61,088,413	\$ 62,741,274	\$ 64,255,105	\$ 66,290,722	
Change in Net Assets										
Governmental activities	\$ 153,239	\$ 1,437,947	\$ 2,725,918	\$ 7,778,280	\$ 2,919,382	\$ 2,987,986	\$ 3,770,149	\$ 4,251,893	\$ 5,702,893	
Business-type activities	835,813	224,670	303,529	(249,312)	(458,450)	181,411	815,254	(958,726)	559,219	
Total primary government	\$ 989,052	\$ 1,662,617	\$ 3,029,447	\$ 7,528,978	\$ 2,460,932	\$ 3,169,397	\$ 4,585,403	\$ 3,293,167	\$ 6,262,112	

(1) The City will continue to annually report information until this schedule includes 10 fiscal years.

City of Dover, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2002	2003	2004	2005	Fiscal Year		2008	2009	2010 (1)	2011 (2)
					2006	2007				
General Fund										
Reserved	\$ 2,098,807	\$ 2,428,326	\$ 2,331,430	\$ 2,698,296	\$ 3,146,070	\$ 4,025,592	\$ 3,948,069	\$ 2,309,013	\$ -	\$ -
Nonspendable	-	-	-	-	-	-	-	-	3,273	3,821
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	732,278	806,786
Assigned	-	-	-	-	-	-	-	-	1,785,338	1,658,291
Unassigned	-	-	-	-	-	-	-	-	5,473,996	5,941,993
Unreserved	3,605,676	3,709,521	3,593,044	3,867,587	4,796,633	5,088,952	5,584,935	5,114,311	-	-
Total General Fund	\$ 5,704,483	\$ 6,137,847	\$ 5,924,474	\$ 6,565,885	\$ 7,942,703	\$ 9,094,544	\$ 9,533,004	\$ 7,423,324	\$ 7,994,885	\$ 8,410,891
All Other Governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,587,830	\$ 1,846,692
Restricted Special Revenues	-	-	-	-	-	-	-	-	4,365,197	1,955,496
Restricted Capital Projects	-	-	-	-	-	-	-	-	13,874,051	5,645,164
Committed - Special Revenues	-	-	-	-	-	-	-	-	895,930	3,086,889
Committed - Capital Projects	-	-	-	-	-	-	-	-	322,107	784,738
Unassigned - Special Revenue	-	-	-	-	-	-	-	-	(1,215,514)	(1,207,470)
Unassigned - Capital Projects	-	-	-	-	-	-	-	-	(1,312,766)	(1,665,817)
Reserved	4,090,315	2,243,139	3,168,322	2,890,235	7,269,317	11,055,514	8,181,128	5,914,151	-	-
Unreserved, reported in										
Special Revenue Funds	1,337,683	3,669,786	4,283,723	3,228,880	4,137,741	4,839,885	5,344,127	4,727,590	-	-
Capital Project Funds	(612,808)	4,081,977	4,465,278	9,880,180	11,105,112	10,272,747	2,070,246	6,315,773	-	-
Total All Other Governmental funds	\$ 4,815,170	\$ 9,994,902	\$ 11,917,323	\$ 15,999,295	\$ 22,512,170	\$ 26,168,146	\$ 15,595,501	\$ 16,957,514	\$ 18,516,835	\$ 10,445,692

Data Source:

Audited Financial Statements

Notes:

(1) Recalculated Fiscal Year 2010 fund balances to show comparison of GASB Statement No. 54 to Fiscal Year 2011.

(2) Fiscal Year 2011 is the initial year of implementation of GASB Statement No. 54.

City of Dover, New Hampshire

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$35,759,199	\$39,127,067	\$41,635,187	\$44,425,858	\$49,273,703	\$51,923,895	\$55,528,287	\$58,276,107	\$60,176,461	\$61,609,630
Licenses and permits	3,944,619	4,096,208	4,254,976	4,379,423	4,746,999	4,704,073	4,458,346	4,347,705	4,230,271	4,708,025
Intergovernmental	5,971,855	7,028,720	8,277,017	6,779,512	6,748,901	7,577,132	6,914,873	10,778,255	11,704,972	8,669,775
Current service charges	2,875,191	3,986,260	3,682,668	6,696,041	5,552,867	5,699,435	7,272,458	7,092,059	6,880,432	7,689,502
Education	11,003,650	11,740,906	11,666,453	11,589,151	11,513,198	11,944,765	11,954,934	12,700,692	13,637,769	12,856,890
Miscellaneous revenue	1,302,185	1,060,772	1,427,204	1,597,921	2,185,844	3,221,740	2,456,173	2,238,920	651,276	1,392,214
Total revenues	60,856,699	67,039,934	70,943,506	75,467,906	80,021,512	85,071,040	88,585,071	95,433,738	97,281,181	96,924,036
Expenditures										
General government	\$ 3,049,278	\$ 3,382,579	\$ 3,682,989	\$ 4,510,703	\$ 4,403,947	\$ 3,768,761	\$ 4,667,786	\$ 3,897,489	\$ 4,254,050	\$ 4,194,840
Public safety	9,016,550	9,669,513	10,453,530	11,220,754	12,244,120	12,527,349	12,315,515	12,983,903	14,529,070	14,169,409
Public works	4,158,668	5,278,346	4,774,012	5,488,089	5,396,712	6,620,093	5,396,667	6,087,921	8,677,677	4,456,543
Culture and recreation	1,989,556	2,026,355	2,232,117	2,207,717	2,596,284	3,164,802	2,724,950	3,799,731	3,713,823	3,558,306
Education	31,382,245	34,643,006	36,706,948	37,366,752	39,929,897	40,788,339	42,991,635	44,840,166	44,017,518	46,812,153
Human services	1,141,594	1,181,469	1,475,210	1,171,342	1,271,139	1,422,465	1,067,523	1,129,423	1,205,134	1,220,988
Intergovernmental	3,666,819	3,695,246	4,639,183	4,336,892	5,454,815	5,750,204	5,922,221	6,772,323	7,030,640	7,033,271
Capital outlay (1)	7,596,771	7,471,290	5,393,035	6,952,065	10,748,911	17,072,862	14,066,205	13,032,244	11,501,504	11,934,296
Debt service										
Principal	4,006,958	3,998,487	4,214,821	4,220,335	4,486,607	4,740,087	6,215,838	6,645,849	6,624,599	6,954,496
Interest	1,700,213	1,524,218	1,644,937	1,799,495	2,054,291	2,668,222	3,350,916	3,148,136	3,307,087	3,484,400
Total expenditures	67,688,452	72,850,509	75,216,782	79,274,123	88,586,723	98,523,184	98,719,256	102,337,185	104,861,102	103,818,702
Excess of revenues										
Over(under) expenditures	(6,831,753)	(5,810,575)	(4,273,276)	(3,806,217)	(8,565,211)	(13,452,144)	(10,134,185)	(6,903,447)	(7,579,921)	(6,894,666)
Other Financing Sources (Uses)										
Bond issuance	\$ 1,229,000	\$ 9,159,000	\$ 6,065,000	\$ 8,520,000	\$16,428,000	\$18,196,000	-	\$ 8,545,000	\$ 9,839,000	\$ 250,000
Bond Premium	-	-	-	-	-	63,961	-	-	260,390	-
Refunding Bond Issuance	-	-	-	-	-	-	-	-	8,790,000	-
Payment to Refunding Escrow	-	-	-	-	-	-	-	-	(9,050,390)	-
Transfers in	531,781	944,509	1,040,165	1,148,898	1,161,973	1,183,029	1,093,416	1,498,009	1,178,796	1,513,089
Transfers out	(412,588)	(929,985)	(1,122,840)	(1,139,298)	(1,135,069)	(1,183,029)	(1,093,416)	(2,685,641)	(1,308,796)	(2,525,138)
Total governmental activities	1,348,193	9,173,524	5,982,325	8,529,600	16,454,904	18,259,961	-	7,357,368	9,709,000	(762,049)
Net Change in fund balances	\$ (5,483,560)	\$ 3,362,949	\$ 1,709,049	\$ 4,723,383	\$ 7,889,693	\$ 4,807,817	\$ (10,134,185)	\$ 453,921	\$ 2,129,079	\$ (7,656,715)
Debt Service as a percentage of non-capital outlay expenditures										
	9.5%	8.4%	8.4%	8.3%	8.4%	9.1%	11.3%	11.0%	10.6%	11.4%
Data Source:										
Audited Financial Statements										
Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.										

Notes

- (1) Capital outlay expenditures are presented within other function categories on page 32.
- (2) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 32.

City of Dover, New Hampshire

Changes in Fund Balances, General Fund

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 35,585,882	\$ 38,649,599	\$ 41,525,541	\$ 44,054,361	\$ 48,791,940	\$ 51,416,226	\$ 55,152,120	\$ 58,047,052	\$ 59,716,911	\$ 61,423,333
Licenses and permits	3,944,619	4,096,208	4,254,976	4,378,403	4,745,864	4,702,403	4,456,916	4,159,499	4,033,837	4,365,496
Intergovernmental	1,766,065	1,914,757	1,910,836	2,069,959	2,140,515	2,799,048	2,761,290	3,762,458	2,959,288	2,890,931
Current service charges	1,030,036	1,124,299	1,118,191	1,586,678	1,486,611	1,293,887	1,220,717	2,702,644	2,811,409	2,853,210
Education	10,758,527	11,740,906	11,666,453	11,589,151	11,513,198	11,944,765	11,954,934	12,700,692	13,637,769	12,856,890
Miscellaneous revenue	680,805	478,202	485,359	779,348	1,227,807	2,001,869	1,888,508	702,508	351,686	289,266
Total revenues	53,765,934	58,003,971	60,961,357	64,457,900	69,905,935	74,158,198	77,434,485	82,074,853	83,510,900	84,679,126
Expenditures by Function										
General government	\$ 3,007,590	\$ 2,946,305	\$ 3,518,072	\$ 3,933,830	\$ 3,710,777	\$ 4,707,754	4,691,917	3,670,728	\$ 3,935,300	\$ 4,216,767
Public safety	7,762,936	8,500,956	9,249,045	9,975,122	10,907,760	11,303,843	11,396,359	12,444,070	12,548,669	12,653,659
Public works	3,538,122	4,451,367	3,931,571	4,594,796	4,316,164	4,626,565	4,865,096	4,846,815	4,897,854	5,115,274
Culture and recreation	1,926,516	1,973,218	2,087,301	2,123,434	2,202,084	2,284,641	2,301,415	3,256,539	3,131,978	3,034,671
Education	27,208,695	29,199,879	30,486,749	31,380,847	33,848,664	35,528,132	37,141,062	39,029,285	40,382,145	40,029,006
Human services	550,038	653,336	730,727	785,254	638,330	604,200	658,979	687,415	693,536	783,832
Intergovernmental	3,666,619	3,695,246	4,639,183	4,336,892	5,454,815	5,750,204	5,922,221	6,772,323	7,030,640	7,033,271
Debt service										
Principal	4,006,958	3,998,487	4,214,821	4,220,335	4,486,607	4,700,087	6,010,838	6,425,849	6,404,599	6,724,496
Interest	1,700,213	1,524,218	1,644,937	1,799,495	2,045,847	2,445,863	3,146,722	2,964,280	3,121,893	3,308,006
Total expenditures	53,367,687	56,943,012	60,502,406	63,150,004	67,611,048	71,951,289	75,934,609	80,297,304	82,146,414	82,898,982
Excess of revenues										
Over/(under) expenditures	398,247	1,060,959	458,951	1,307,896	2,294,887	2,206,909	1,499,876	1,777,549	1,364,486	1,780,144
Other Financing Sources (Uses)										
Proceeds from borrowing									8,790,000	
Bond Premium						63,961			260,390	
Payment to Refunding Escrow									(9,050,390)	
Transfers in	32,000	49,595	63,828	32,000	32,000	32,000	32,000	-	515,856	578,650
Transfers out	(412,588)	(677,190)	(736,152)	(698,485)	(950,069)	(1,151,029)	(1,093,416)	(2,685,641)	(1,308,796)	(2,525,138)
Total governmental activities	(380,588)	(627,595)	(672,324)	(666,485)	(918,069)	(1,055,068)	(1,061,416)	(2,685,641)	(792,940)	(1,946,488)
Net Change in fund balances	\$ 17,659	\$ 433,364	\$ (213,373)	\$ 641,411	\$ 1,376,818	\$ 1,151,841	\$ 438,460	\$ (908,092)	\$ 571,546	\$ (166,344)

Data Source:

Audited Financial Statements

Notes

(1) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 32.

City of Dover, New Hampshire

Changes in Fund Balances, Special Revenue Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 173,317	\$ 477,468	\$ 109,646	\$ 371,497	\$ 481,763	\$ 507,689	376,167	\$ 229,055	\$ 459,550	\$ 188,297
Licenses and permits	-	-	-	1,020	1,135	1,670	1,430	188,206	196,434	340,529
Intergovernmental	4,038,970	4,613,018	5,875,326	4,573,196	4,282,636	4,627,585	4,153,583	4,403,282	6,479,642	5,757,869
Current service charges	1,627,738	2,644,336	2,338,255	3,338,544	4,026,256	4,226,685	4,843,301	4,389,415	4,069,023	4,225,664
Education	245,123	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	621,380	559,833	881,377	548,288	710,930	973,661	327,782	226,899	154,015	979,172
Total revenues	6,706,528	8,294,655	9,184,604	8,832,525	9,502,720	10,337,270	9,702,263	9,436,867	11,358,664	11,489,531
Expenditures										
General government	41,688	416,274	164,917	576,873	693,170	1,029,501	609,614	91,089	378,836	326,691
Public safety	1,253,814	1,168,557	1,204,485	1,245,632	1,336,360	1,411,641	1,403,243	2,027,429	1,859,908	1,747,205
Public works	620,546	826,979	842,441	893,273	1,080,548	1,109,091	1,052,042	1,014,447	1,098,536	990,977
Culture and recreation	43,040	53,137	144,816	84,283	394,200	400,112	519,747	740,989	761,471	705,093
Education	4,173,550	5,443,127	6,220,199	5,985,905	6,081,233	5,917,742	5,855,883	6,046,817	6,922,299	6,628,473
Human services	581,556	528,133	744,483	386,088	632,809	818,285	408,544	442,008	511,598	437,156
Debt service	-	-	-	-	-	40,000	205,000	220,000	220,000	230,000
Principal	-	-	-	-	-	40,000	205,000	220,000	220,000	230,000
Interest	-	-	-	-	8,444	206,359	204,194	183,856	185,194	176,394
Total expenditures	6,723,994	8,436,207	9,321,341	9,172,054	10,228,764	10,932,711	10,258,267	10,766,635	11,937,840	11,241,989
Excess of revenues										
Over(under) expenditures	(17,466)	(141,552)	(136,737)	(339,529)	(724,044)	(595,441)	(556,004)	(1,329,768)	(579,176)	247,542
Other Financing Sources (Uses)										
Transfers in	372,685	671,648	676,337	733,299	943,713	1,207,020	1,081,416	1,398,009	1,107,940	962,102
Transfers out	-	(252,795)	(86,688)	(440,813)	(185,000)	(87,991)	-	(477,588)	(45,000)	(143,970)
Total governmental activities	372,685	418,853	589,649	292,486	758,713	1,119,029	1,061,416	920,421	1,062,940	818,132
Net Change in fund balances	\$ 355,219	\$ 277,301	\$ 452,912	\$ (47,043)	\$ 34,669	\$ 523,588	\$ 505,412	\$ (409,347)	\$ 483,764	\$ 1,065,674

Data Source

Audited Financial Statements

Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.

City of Dover, New Hampshire

Changes in Fund Balances, Capital Project Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Intergovernmental	\$ 166,820	\$ 500,945	\$ 490,855	\$ 136,357	\$ 325,750	\$ 150,499	\$ -	\$ 2,612,505	\$ 2,266,042	\$ 20,975
Current service charges	217,417	217,625	226,222	1,770,819	40,000	178,863	1,208,440	-	-	610,628
Education	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	22,737	80,468	270,305	247,107	246,210	239,883	1,309,513	145,575	123,776
Total revenues	384,237	741,307	797,545	2,177,481	612,857	575,572	1,448,323	3,922,018	2,411,617	755,379
Expenditures										
Capital outlay	7,596,771	7,471,290	5,393,035	6,952,065	10,748,911	15,639,184	12,526,380	11,273,248	10,776,848	9,677,731
Total expenditures	7,596,771	7,471,290	5,393,035	6,952,065	10,748,911	15,639,184	12,526,380	11,273,248	10,776,848	9,677,731
Excess of revenues										
Over(under) expenditures	(7,212,534)	(6,729,983)	(4,595,490)	(4,774,584)	(10,136,054)	(15,063,612)	(11,078,057)	(7,351,228)	(8,365,231)	(8,922,352)
Other Financing Sources (Uses)										
Proceeds from borrowing	1,229,000	9,159,000	6,065,000	8,520,000	16,428,000	18,196,000	-	8,545,000	9,839,000	250,000
Transfers in	127,096	223,266	300,000	383,599	186,260	-	-	577,588	-	219,760
Transfers out	-	-	(300,000)	-	-	-	-	-	(400,000)	(103,453)
Total governmental activities	1,356,096	9,382,266	6,065,000	8,903,599	16,614,260	18,196,000	-	9,122,588	9,439,000	366,307
Net Change in fund balances	\$(5,856,438)	\$ 2,652,283	\$ 1,469,510	\$ 4,129,015	\$ 6,478,206	\$ 3,132,388	\$(11,078,057)	\$ 1,771,360	\$ 1,073,769	\$(8,556,045)

Data Source:
Audited Financial Statements

City of Dover, New Hampshire

Combined Utility Fund Revenue, Expenses, and Changes in Fund Net Assets Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease) Total Net Assets	Total Net Assets
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total		
2011	\$ -	\$ 8,548,760	\$ 714,183	\$ -	\$ 9,262,943	\$ 5,069,892	\$ 2,748,164	\$ 823,894	\$ 47,880	\$ 8,689,630	\$ 573,313	\$ 57,067,103
2010	-	7,691,639	515,069	-	8,206,708	5,366,058	2,869,111	937,184	-	9,172,353	(965,645)	56,493,790
2009	-	7,729,875	781,269	-	8,511,144	5,113,880	2,708,927	1,012,204	1,607	8,836,598	(325,454)	57,459,438
2008	-	7,858,489	627,483	-	8,485,972	4,718,312	2,637,288	1,091,442	-	8,447,042	38,930	57,784,892 (3)
2007	552,375	6,863,012	369,070	-	7,784,457	4,685,872	2,512,605	1,149,966	-	8,348,443	(563,986)	54,972,706
2006	519,346	7,065,852	327,782	-	7,912,980	4,558,850	2,422,858	993,462	26,904	8,001,874	(88,894)	55,536,691
2005	612,576	6,880,875	363,769	-	7,857,220	4,407,380	2,302,636	717,284	9,599	7,436,879	420,341	55,625,585
2004	474,062	6,383,456	580,370	82,675	7,520,563	3,952,020	2,139,939	996,146	-	7,088,105	432,458	55,205,244 (1)
2003	512,554	6,957,737	409,068	-	7,879,359	3,580,102	2,087,337	1,005,474	14,524	6,668,438	1,210,921	54,772,785 (2)
2002	565,334	5,130,038	136,903	735,000	6,567,275	3,285,296	2,264,227	1,136,101	592,245	7,277,871	(710,596)	53,561,864

Includes Water and Sewer Funds

Water Fund Revenue, Expenses, and Changes in Fund Net Assets Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease) Total Net Assets	Total Net Assets
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total		
2011	\$ -	\$ 4,221,145	\$ 453,646	\$ -	\$ 4,674,791	\$ 2,227,709	\$ 741,785	\$ 444,874	\$ 42,059	\$ 3,456,427	\$ 1,218,364	\$ 20,100,704
2010	-	3,820,888	148,106	-	3,968,994	2,397,882	903,461	444,208	-	3,745,551	223,443	18,882,340
2009	-	3,876,794	129,488	-	4,006,282	2,310,328	575,562	478,735	-	3,362,625	643,657	18,658,901
2008	-	3,854,482	199,090	-	4,053,572	2,263,253	644,602	522,187	-	3,430,042	623,530	18,015,246 (3)
2007	-	3,241,820	182,180	-	3,424,000	2,219,625	637,400	447,753	-	3,304,778	119,222	16,110,202
2006	-	3,296,940	133,045	-	3,429,985	2,032,099	646,178	299,074	500	2,977,851	452,134	15,990,979
2005	15,000	3,056,682	150,305	-	3,221,987	1,960,737	602,372	186,733	6,500	2,766,342	435,645	15,538,845
2004	-	2,789,034	240,517	82,675	3,112,226	1,762,176	526,183	233,516	-	2,521,875	590,351	15,103,200
2003	-	3,040,583	121,338	-	3,161,921	1,611,453	501,377	213,516	-	2,326,346	835,575	14,512,849 (1)
2002	-	2,217,796	47,485	400,000	2,665,281	1,513,683	465,709	259,524	292,245	2,531,161	134,120	13,677,274 (2)

Sewer Fund Revenue, Expenses, and Changes in Fund Net Assets Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease) Total Net Assets	Total Net Assets
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total		
2011	\$ -	\$ 4,327,615	\$ 280,537	\$ -	\$ 4,588,152	\$ 2,841,983	\$ 2,006,379	\$ 379,020	\$ 5,821	\$ 5,233,203	\$ (645,051)	\$ 36,966,399
2010	-	3,870,751	366,963	-	4,237,714	2,968,176	1,965,850	402,978	-	5,426,802	(1,189,088)	37,611,450
2009	-	3,853,081	651,781	-	4,504,862	2,803,532	2,133,365	535,469	1,607	5,473,973	(969,111)	38,800,537
2008	-	3,994,007	428,393	-	4,422,400	2,455,059	1,992,686	569,255	-	5,017,000	(594,600)	39,769,646 (3)
2007	552,375	3,621,192	188,890	-	4,360,457	2,466,247	1,875,205	702,213	-	5,043,665	(683,208)	38,862,504
2006	519,346	3,768,912	194,737	-	4,482,995	2,526,551	1,776,680	694,388	26,404	5,024,023	(541,028)	39,545,712
2005	597,576	3,824,193	213,464	-	4,635,233	2,416,623	1,700,264	530,551	3,099	4,650,537	(15,304)	40,086,740
2004	474,062	3,594,422	339,853	-	4,408,337	2,189,844	1,613,756	762,630	-	4,566,230	(157,893)	40,102,044
2003	512,554	3,917,154	287,730	-	4,717,438	1,948,849	1,585,960	792,958	14,524	4,342,091	375,347	40,259,937 (1)
2002	565,334	2,912,242	89,418	335,000	3,901,994	1,771,615	1,798,518	876,577	300,000	4,746,710	(844,716)	39,884,590 (2)

Data Source:
Audited Financial Reports

Notes

- (1) Beginning in Fiscal Year 2003 includes Capital Reserve Funds which were previously considered Trust Funds.
- (2) Total Net Assets as restated for Fiscal Year ending June 30, 2002. Restatement resulting from adjustment of capital asset values and accumulated depreciation.
- (3) Total Net Assets as restated for Fiscal Year ending June 30, 2008. Restatement resulting from adjustment of capital asset values and accumulated depreciation for capital contributions

City of Dover, New Hampshire

General Government Tax Revenues by Source

Last Ten Fiscal Years

Fiscal Year	Property Taxes	Current Use Penalties	Boat Tax	Yield Tax	Payment in Lieu of Tax	Excavation Tax	Tax Interest & Penalties	Total
2011	\$ 60,971,187	\$ 186,297	\$ 16,903	\$ 4,651	\$ 75,847	\$ 2,083	\$ 352,662	\$ 61,609,630
2010	59,336,642	459,550	17,366	1,560	54,384	3,600	303,359	60,176,461
2009	57,638,349	229,055	16,177	1,096	78,157	5,484	307,789	58,276,107
2008	54,815,889	376,170	17,595	15,319	33,579	3,581	266,157	55,528,290
2007	51,082,581	507,669	19,957	14,130	62,765	6,513	230,280	51,923,895
2006	48,502,622	481,763	22,389	628	63,553	7,112	195,636	49,273,703
2005	43,776,292	363,102	24,174	1,456	57,145	9,863	193,827	44,425,858
2004	41,200,107	108,017	26,275	4,651	68,874	8,700	218,562	41,635,187
2003	38,345,800	475,838	22,759	4,945	71,298	10,143	196,283	39,127,067
2002	35,273,175	162,276	23,328	3,279	99,639	13,953	183,548	35,759,198

Data Source:

Audited Internal Financial Statements

City of Dover, New Hampshire

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Balance at Fiscal Year End of Levy Year	Subsequent Tax Collections	Balance at end of Current Fiscal year	Total Collections to Date		Number of Parcels		
		Amount	% of Levy				Amount	% of Levy	in Levy	Liened	% Liened
2011	\$ 81,316,723	\$ 58,300,049	95.1%	\$ 3,016,674	\$ -	\$ 3,016,674	\$ 58,300,049	95.1%	9,899	366	3.7%
2010	59,722,532	58,637,028	94.8%	3,085,504	2,288,579	796,925	58,925,607	98.7%	9,825	417	4.2%
2009	57,813,956	55,182,839	95.4%	2,631,117	2,221,331	409,786	57,404,170	99.3%	9,808	380	3.9%
2008	55,140,420	52,827,214	95.8%	2,313,206	2,252,407	60,799	55,079,621	99.9%	9,685	295	3.0%
2007	51,305,180	49,264,164	96.0%	2,041,016	2,019,637	21,379	51,283,801	100.0%	9,552	353	3.7%
2006	48,836,109	46,964,721	96.0%	1,973,388	1,962,172	11,216	48,826,893	100.0%	9,187	278	3.0%
2005	43,833,406	42,209,865	96.3%	1,623,541	1,623,541	-	43,833,406	100.0%	9,103	249	2.7%
2004	41,081,332	39,523,636	96.2%	1,557,696	1,557,696	-	41,081,332	100.0%	9,009	262	2.9%
2003	38,378,893	36,736,451	95.7%	1,642,433	1,642,433	-	38,378,893	100.0%	8,888	310	3.5%
2002	35,301,454	33,862,981	95.9%	1,438,473	1,438,473	-	35,301,454	100.0%	8,735	301	3.4%

Data Source:

Audited Internal Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Tax liens are placed within 60 days after the end of the fiscal year. Taxpayers have two years to redeem liens prior to property being tax deeded.

City of Dover, New Hampshire

Assessed and Estimated Full Value of Real Property Last Ten Fiscal Years

Fiscal Year	Local Assessed Value (1)			Total Assessed Value	Less Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate per \$1,000 of Assessed Value	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/ Industrial	Utilities						
2011	\$ 1,948,881,800	\$ 673,620,000	\$35,415,000	\$ 2,657,916,800	\$ 51,381,750	\$ 2,606,535,050	\$ 23.75	\$ 2,774,177,802	95.8%
2010	1,934,577,500	666,109,800	35,400,900	2,636,088,200	52,866,750	2,583,221,450	23.33	2,768,903,098	95.2%
2009	2,094,567,000	685,319,200	35,303,500	2,815,189,700	51,608,150	2,763,581,550	21.10	3,009,995,763	93.5%
2008	2,195,273,500	655,131,100	35,579,100	2,885,983,700	50,914,700	2,835,069,000	19.63	3,028,004,490	95.3%
2007	2,178,722,000	597,125,300	34,773,700	2,810,621,000	45,808,500	2,764,812,500	18.72	2,954,382,748	95.1%
2006	1,992,919,500	548,120,670	33,169,300	2,572,209,470	36,144,400	2,536,065,070	17.29	2,909,166,586	88.4%
2005	1,881,960,500	545,071,520	33,003,800	2,460,035,820	30,528,200	2,429,507,620	16.42	2,599,843,962	94.6%
2004	1,580,353,000	485,398,492	31,250,100	2,097,001,592	19,013,400	2,077,988,192	17.67	2,303,407,162	91.0%
2003	1,359,533,470	471,810,672	31,250,100	1,862,594,242	10,271,000	1,852,323,242	18.89	2,033,558,594	91.6%
2002	1,157,386,700	414,001,060	31,250,100	1,602,637,860	9,969,500	1,592,668,360	20.09	1,789,901,391	89.5%

Data Sources:

(1) State MS-1 Report of Assessed Values

(2) NH Department of Revenue Administration's annual Equalization Survey

City of Dover, New Hampshire

Principal Taxpayers Current Year and Nine Years Ago

Taxpayer	Type of Business	2011 Assessed Value	Rank	Percentage of Total Assessed Value	2002 Assessed Value	Rank	Percentage of Total Assessed Value
Liberty Mutual Insurance Co	Insurance	\$ 70,185,700	1	2.69 %	\$ 21,998,400	1	1.38 %
Public Service Co of NH	Utility	23,590,600	2	0.91	20,669,900	2	1.30
The New Meadows Inc	Apartments	16,712,300	3	0.64	11,258,500	3	0.71
171 Watson Rd of Dover Holding Corp.	Scholastic Testing	14,578,800	4	0.56	-	-	-
Holgate Limited Partnership	Comm/Res Rentals	13,882,400	5	0.53	-	-	-
NP Dover LLC (Current) Shaw's(Previously)	Supermarket	12,291,000	6	0.47	9,279,800	6	0.58
Northern Utilities Inc	Gas Utility	11,092,600	7	0.43	10,057,600	5	0.63
Fortuna North, LLC	Wholesale	10,568,100	8	0.41	-	-	-
MSM Brothers, Inc.	Apartments	9,803,100	9	0.38	8,720,000	10	0.42
Sawyers Mills Assoc Inc	Apartments	9,607,000	10	0.37	7,453,000	8	0.47
Dover Mills Partnership	Developer	-	-	-	9,148,700	7	0.57
Goss (Current) Heidelberg (Previously)	Manufacturer	-	-	-	10,473,600	4	0.66
Langdon Place of Dover	Retirement Community	-	-	-	7,134,700	9	0.45
Total Principal Taxpayers		\$ 192,291,600		7.38 %	\$ 114,192,200		7.17 %
Total Net Assessed Taxable Value		\$ 2,606,535,050			\$ 1,592,688,360		

Data Source:
City of Dover Tax Warrant

City of Dover, New Hampshire

Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

Fiscal Year	City Direct Rates							Overlapping Rate		Estimated Full Value Rate
	City	Budgetary Use of Fund Balance (1)	Total City (2)	Local School (2)	State School (3)	Total School	Total Direct	County	Total	
2011	\$ 8.93	\$ -	\$ 8.93	\$ 9.57	\$ 2.55	\$ 12.12	\$ 21.05	\$ 2.70	\$ 23.75	\$ 22.26
2010	8.55	-	8.55	9.54	2.52	12.06	20.61	2.72	23.33	21.70
2009	7.57	-	7.57	8.79	2.31	11.10	18.67	2.43	21.10	19.33
2008	7.23	-	7.23	8.02	2.31	10.33	17.56	2.07	19.63	18.33
2007	6.87	(0.15)	6.72	7.56	2.38	9.94	16.66	2.06	18.72	17.47
2006	7.04	-	7.04	7.66	2.59	10.25	17.29	2.13	19.42	16.88
2005	6.91	-	6.91	6.71	2.80	9.51	16.42	1.76	18.18	16.93
2004	7.48	(0.05)	7.43	5.87	4.37	10.24	17.67	2.21	19.88	17.85
2003	8.03	(0.13)	7.90	6.08	4.91	10.99	18.89	1.97	20.86	18.90
2002	8.80	(0.67)	8.13	6.31	5.65	11.96	20.09	2.27	22.36	19.75

Data Source:
NH State Department of Revenue Administration

- Notes:
- (1) Reflects the decrease to the City rate as a result of the City Council voting to use a portion of Fund Balance to finance the budget. This is calculated by the City of Dover for informational purposes.
 - (2) Debt service is included in the City and Local School rates.
 - (3) The NH State Legislature revised Education funding in Fiscal Year 2000, establishing a State Education Property Tax. Although warranted by the state, the taxes are collected by the City and spent for local school purposes. This rate does not apply to utility assessments. Utilities are billed directly by the State of NH.

City of Dover, New Hampshire

Utility Fund Net Budget, Billable Volumes and Rates Last Ten Fiscal Years

Fiscal Year	Amount to be Raised by Rates (1)		Billable Volume Used for Setting Rates (2)		Rates per HCF (4)		
	Water	Sewer	Water	Sewer (3)	Water	Sewer	Combined
2011	\$ 3,926,131	\$ 4,706,175	999,253	933,000	\$ 3.93	\$ 5.04	\$ 8.97
2010	3,847,648	4,426,221	1,019,000	933,000	3.78	4.74	8.52
2009	3,817,555	4,182,454	1,019,000	927,000	3.75	4.51	8.26
2008	3,597,404	4,069,946	1,019,000	927,000	3.53	4.39	7.92
2007	3,179,280	4,023,180	1,019,000	927,000	3.12	4.34	7.46
2006	3,016,240	3,828,510	1,019,000	927,000	2.96	4.13	7.09
2005	2,730,920	3,717,270	1,019,000	927,000	2.68	4.01	6.69
2004	2,422,840	3,605,880	1,018,000	906,000	2.38	3.98	6.36
2003	2,202,550	3,357,000	1,015,000	900,000	2.17	3.73	5.90
2002	2,286,900	3,162,790	990,000	881,000	2.31	3.59	5.90

Data Source

City of Dover Budget and Budget Resolutions

Notes:

- (1) Amount to be raised by rate equals the net budget, i.e., appropriations less other revenue sources.
- (2) Billable Volume is the estimated billable water consumption in hundred cubic feet units (HCF).
- (3) Sewer charges are based on the amount of water consumed.
- (4) One hundred cubic feet (HCF) equals 748 gallons.

City of Dover, New Hampshire

Dover's Share of the Strafford County Tax Apportionment

Last Ten Fiscal Years

(based on percentage of equalized value)

Total Equalized Values				Apportionment of County Tax Levy				
Tax Year	Dover	Strafford County	Dover's %	Fiscal Year	County Tax Levy	Dover's Share	Dover's Share \$ Change	Dover's Share % Change
2009	\$ 2,771,603,605	\$ 10,535,297,254	26.3077874%	2011	\$ 26,744,561	\$ 7,033,271	\$ 2,631	0.0%
2008	3,012,848,041	11,251,423,584	26.7774830%	2010	26,255,790	7,030,640	258,317	3.8%
2007	3,030,963,132	11,365,940,726	26.6670679%	2009	25,395,827	6,772,323	850,102	14.4%
2006	2,957,658,251	11,428,976,216	25.8785931%	2008	22,884,637	5,922,221	172,016	3.0%
2005	2,912,670,592	10,943,501,422	26.6155271%	2007	21,604,701	5,750,205	295,390	5.4%
2004	2,603,256,233	9,798,715,231	26.5673221%	2006	20,532,046	5,454,815	1,117,923	25.8%
2003	2,307,394,165	8,651,293,933	26.6710874%	2005	16,260,649	4,336,892	(302,291)	-6.5%
2002	2,036,499,998	7,464,648,336	27.2819282%	2004	17,004,598	4,639,183	943,938	25.5%
2001	1,794,028,135	6,480,835,631	27.6820496%	2003	13,348,887	3,695,245	28,626	0.8%
2000	1,564,564,557	5,607,449,033	27.9015386%	2002	13,141,275	3,666,619	811,511	28.4%

Data Sources:

NH Department of Revenue Administration Equalization Surveys

County Tax Warrants

Adopted Strafford County Budgets

City of Dover, New Hampshire

Ratios of Long Term Debt Outstanding and Legal Debt Limits Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt at June 30										
City Depts. (includes Arena) (1)	\$ 22,628,086	\$ 25,708,328	\$ 27,332,571	\$ 30,982,814	\$ 39,661,057	\$ 45,784,300	\$ 41,974,543	\$ 48,729,258	\$ 48,276,318	\$ 44,001,511
Hospital	-	-	-	-	-	-	-	-	-	-
School Dept.	17,987,493	20,067,784	20,293,700	20,943,122	24,206,272	31,538,942	29,132,881	27,408,984	31,196,755	28,640,814
Total Governmental Activities	40,615,579	45,776,092	47,626,271	51,925,936	63,867,329	77,323,242	71,107,404	76,137,920	79,473,071	72,642,325
Water Fund	4,307,298	5,985,949	7,885,000	7,788,000	11,103,000	12,578,000	11,573,000	10,783,000	11,344,000	10,334,000
Sewer Fund	13,840,000	15,058,000	14,829,000	14,701,000	14,553,000	13,210,000	11,538,000	11,129,000	10,815,000	8,957,500
Arena Fund	4,279,500	4,034,410	3,785,920	3,542,430	3,298,940	3,055,450	2,813,980	-	-	-
DBIDA Fund	-	-	-	-	2,383,554	2,256,453	2,121,775	1,983,435	1,841,189	1,784,773
Total Debt at June 30	\$ 62,842,377	\$ 70,852,151	\$ 73,906,191	\$ 77,957,368	\$ 95,205,823	\$ 108,423,145	\$ 99,154,139	\$ 100,012,355	\$ 103,473,280	\$ 93,726,598
Base Value for Debt Limits (2)										
	\$ 1,820,063,750	\$ 2,065,144,570	\$ 2,338,898,368	\$ 2,634,930,749	\$ 2,944,329,836	\$ 2,988,313,185	\$ 3,060,293,656	\$ 3,040,817,437	\$ 2,768,903,096	\$ 2,774,177,802
Legal Debt Limits (% of Base Value)										
City - 1.75% thru 1998, 3% 1999 on (3)	\$ 54,801,913	\$ 61,954,337	\$ 70,100,891	\$ 79,047,922	\$ 88,329,895	\$ 89,849,396	\$ 91,808,810	\$ 91,218,523	\$ 83,067,093	\$ 83,225,334
School - 7% (3)	127,404,463	144,560,121	163,568,748	184,445,152	206,103,089	206,181,923	214,220,556	212,843,221	193,823,217	194,182,446
Water - 10% (3)	182,008,375	206,514,458	233,669,637	263,493,075	294,432,984	298,831,319	306,029,366	304,061,744	276,890,310	277,417,780
DBIDA - Industrial Parks (4)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
DBIDA - Industrial Buildings (5)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
DBIDA - Industrial Project (6)	NA	NA	NA	NA	205,776,758	224,849,680	230,847,080	225,185,544	210,859,738	212,806,024
Debt Against Legal Debt Limits										
City Depts. (includes Arena)	24,265,500	25,855,410	27,052,820	30,306,430	37,712,940	42,989,450	39,454,960	40,012,470	40,171,288	36,903,240
School Dept.	17,987,493	20,067,784	20,293,700	20,943,122	24,206,272	31,538,942	29,132,881	27,408,984	31,196,754	28,640,814
Water Fund	4,307,298	5,985,949	7,885,000	7,788,000	11,103,000	12,578,000	11,573,000	10,783,000	11,344,000	10,334,000
DBIDA - Industrial Parks	1,625,000	1,455,000	1,285,000	1,115,000	945,000	1,095,000	845,000	595,000	345,000	100,000
DBIDA - Industrial Buildings	-	-	-	-	-	-	-	-	-	-
DBIDA - Industrial Project	-	-	-	-	2,383,554	1,936,453	1,881,775	1,823,435	1,761,189	1,894,773
Exempt from Legal Debt Limits (7)	14,657,086	17,488,328	17,609,571	17,804,814	18,855,057	18,285,300	16,266,543	19,409,786	18,655,029	16,055,771
Total Debt at June 30	\$ 62,842,377	\$ 70,852,151	\$ 73,906,191	\$ 77,957,368	\$ 95,205,823	\$ 108,423,145	\$ 99,154,139	\$ 100,012,355	\$ 103,473,280	\$ 93,726,598
Unused Capacity of Legal Debt Limits										
City Depts.	\$ 30,336,413	\$ 38,098,927	\$ 43,047,971	\$ 48,741,482	\$ 50,816,955	\$ 46,859,948	\$ 52,353,850	\$ 51,206,053	\$ 42,895,805	\$ 46,322,094
School Dept.	109,416,969	124,462,357	143,275,046	163,502,030	181,898,817	177,642,981	185,087,695	185,434,557	162,626,463	165,551,632
Water Fund	177,999,077	200,528,809	226,004,837	255,705,075	283,329,984	286,253,319	294,458,366	293,298,744	285,546,310	267,083,780
DBIDA - Industrial Parks	2,375,000	2,545,000	2,715,000	2,885,000	3,055,000	2,905,000	3,155,000	3,405,000	3,655,000	3,900,000
DBIDA - Industrial Buildings	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-
DBIDA - Industrial Project	NA	NA	NA	NA	203,363,203	222,913,227	228,965,305	223,362,109	209,098,547	210,911,251
% of Legal Debt Limits Used										
City Depts.	44.4%	41.7%	38.8%	38.3%	42.7%	48.0%	43.0%	43.9%	48.4%	44.3%
School Dept.	14.1%	13.9%	12.4%	11.4%	11.7%	15.1%	13.6%	12.9%	16.1%	14.7%
Water Fund	2.4%	2.9%	3.3%	3.0%	3.8%	4.2%	3.8%	3.5%	4.1%	3.7%
DBIDA - Industrial Parks	40.5%	38.4%	32.1%	27.9%	23.6%	27.4%	21.1%	14.9%	8.8%	2.5%
DBIDA - Industrial Buildings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DBIDA - Industrial Project	0.0%	0.0%	0.0%	0.0%	1.2%	0.9%	0.8%	0.8%	0.8%	0.8%

Data Source
Audited Financial Statements

Notes:

- (1) In Fiscal Year 2009 the Arena Enterprise Fund was dissolved into the General Fund.
- (2) Base Value for Debt Limits computed by the NH Department of Revenue Administration
- (3) Legal debt limit percentage rates set by NH State statute
- (4) Dover Business & Industrial Development Authority - Industrial Parks. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
- (5) Dover Business & Industrial Development Authority - Industrial Park Buildings. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
- (6) Dover Business & Industrial Development Authority - Bond Limit of general obligation of 8% of local assessed value.
- (7) Debt exempt from Debt limits consists of Hospital and Sewer debt, debt for hazardous waste remediation included in City Departments and debt for Public Parking Improvements as set per NH State statute

City of Dover, New Hampshire

Ratios of Outstanding Debt by Debt Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities - General Obligation Debt							% of Net Debt to Assessed Value	Tax Supported Debt per capita (1)
	City Depts.	Hospital	School Dept.	Total	Less Hospital Reimbursement	Less State School Aid	Tax Supported Debt		
2011	\$ 44,101,511	\$ -	\$ 28,640,814	\$ 72,742,325	\$ -	\$ 6,919,599	\$ 65,822,726	2.5%	\$ 2,195
2010	48,276,316	-	31,196,755	79,473,071	-	7,550,708	71,922,365	2.8%	\$ 2,433
2009	48,729,256	-	27,408,664	76,137,920	-	8,194,361	67,943,559	2.5%	2,310
2008	41,974,543	-	28,132,861	71,107,404	-	8,679,349	62,428,055	2.2%	2,135
2007	45,784,300	-	31,538,942	77,323,242	-	8,883,991	68,439,251	2.5%	2,347
2006	39,661,057	-	24,206,272	63,867,329	-	5,421,046	58,446,283	2.3%	2,009
2005	30,982,814	-	20,943,122	51,925,936	-	4,240,639	47,685,297	2.0%	1,660
2004	27,332,571	-	20,293,700	47,626,271	-	4,682,229	42,944,042	2.1%	1,497
2003	25,708,328	-	20,067,764	45,776,092	-	5,120,525	40,655,567	2.2%	1,435
2002	22,628,086	-	17,987,493	40,615,579	-	4,027,482	36,588,097	2.3%	1,312

Fiscal Year	Business-Type Activities - General Obligation Debt							Net debt per capita (1)	% of Personal Income (2)
	Water Fund	Sewer Fund	Arena Fund (3)	DBIDA Fund	Total	Less State Sewer Aid	Net Debt		
2011	\$ 10,334,000	\$ 8,957,500	\$ -	\$ 1,694,773	\$ 20,986,273	\$ 1,008,275	\$ 19,977,998	\$ 666	2.2%
2010	11,344,000	10,815,000	-	1,841,189	24,000,189	2,051,383	21,948,806	742	2.4%
2009	10,763,000	11,128,000	-	1,983,435	23,874,435	3,057,565	20,816,870	708	2.3%
2008	11,573,000	11,538,000	2,813,960	2,121,775	28,046,735	3,804,551	24,242,184	829	2.8%
2007	12,578,000	13,210,000	3,055,450	2,256,453	31,099,903	4,141,071	26,958,832	924	3.2%
2006	11,103,000	14,553,000	3,298,940	2,383,554	31,338,494	4,970,673	26,367,821	906	3.2%
2005	7,788,000	14,701,000	3,542,430	-	26,031,430	5,800,276	20,231,154	704	2.6%
2004	7,665,000	14,829,000	3,785,920	-	26,279,920	6,629,874	19,650,046	685	2.6%
2003	5,985,649	15,056,000	4,034,410	-	25,076,059	7,459,482	17,616,577	681	2.6%
2002	4,307,298	13,640,000	4,279,500	-	22,226,798	8,289,085	13,937,713	556	2.2%

Fiscal Year	Total Primary Government	Less State and Hospital	Net Debt	% of Net Debt to Assessed Value	Net Debt per capita (1)	% of Personal Income (2)
2011	\$ 93,728,598	\$ 7,927,874	\$ 85,800,724	3.3%	\$ 2,861	9.3%
2010	103,473,280	9,602,089	93,871,171	3.6%	3,175	10.1%
2009	100,012,355	11,251,926	88,760,429	3.2%	3,017	9.8%
2008	99,154,139	12,483,900	86,670,239	3.1%	2,965	9.9%
2007	108,423,145	13,025,062	95,398,083	3.5%	3,271	11.2%
2006	95,205,823	10,391,719	84,814,105	3.3%	2,915	10.3%
2005	77,957,368	10,040,915	67,916,451	2.8%	2,364	8.6%
2004	73,906,191	11,312,103	62,594,088	3.0%	2,182	8.2%
2003	70,852,151	12,580,007	58,272,144	3.1%	2,057	7.9%
2002	62,842,377	12,316,567	50,525,810	3.2%	1,812	7.2%

Data Source:
Audited Financial Statements

Notes:

- (1) Per capita ratio for FY2011 is based on 2010 U.S. Census data, all other years based on trended 2005 NH Office of State Planning population estimates
- (2) Personal Income ratios based on trended 2000 US Census amounts.
- (3) In Fiscal Year 2009 the Arena Fund was dissolved into the General Fund

City of Dover, New Hampshire

Computation of Overlapping Debt Strafford County Long Term Debt Last Ten Calendar Years

Direct: City of Dover

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2011	\$ 65,822,727	100%	\$ 65,822,727
2010	71,922,365	100%	71,922,365
2009	67,943,559	100%	67,943,559
2008	62,428,055	100%	62,428,055
2007	68,439,251	100%	68,439,251
2006	58,446,283	100%	58,446,283
2005	47,685,297	100%	47,685,297
2004	42,944,042	100%	42,944,042
2003	40,655,567	100%	40,655,567
2002	36,588,097	100%	36,588,097

Overlapping: Strafford County

End of Calendar Year	Net General Obligation Debt Outstanding (1)	Percentage Applicable to Government (2)	Amount Applicable to Government
2010	\$ 21,535,000	27.2530509%	\$ 5,868,945
2009	23,474,863	26.3077874%	6,175,717
2008	21,027,839	26.7774830%	5,630,726
2007	22,762,838	26.6670679%	6,070,181
2006	24,495,948	25.8785931%	6,339,207
2005	24,960,356	26.6155271%	6,643,330
2004	26,361,597	26.5673221%	7,003,570
2003	23,565,225	26.6710874%	6,285,102
2002	21,834,311	27.2819282%	5,956,821

Data Sources:

- (1) Strafford County Audited Financial Statements at calendar year end
- (2) NH Department of Revenue Administration

City of Dover, New Hampshire

Demographic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Family Income (2)	Estimated Total Personal Income (3)	Per Capita Personal Income (2)	City (4)		Unemployment Rates (4)		
					Unemployed	Labor Force	City	State of NH	US
2011	29,987	\$ 77,740	\$ 925,968,573	\$ 30,879	860	17,740	4.8%	5.2%	9.3%
2010	29,563	75,820	931,500,567	31,509	910	17,390	5.2%	5.7%	9.5%
2009	29,417	73,943	903,219,568	30,704	1,072	17,580	6.1%	6.8%	9.8%
2008	29,236	72,066	874,127,164	29,899	638	18,240	3.5%	4.0%	5.7%
2007	29,161	70,189	848,410,134	29,094	579	17,550	3.3%	4.0%	5.0%
2006	29,097	68,312	823,125,033	28,289	539	17,400	3.1%	3.6%	5.1%
2005	28,728	66,435	789,560,352	27,484	504	16,442	3.1%	3.8%	5.5%
2004	28,688	64,558	765,367,152	26,679	564	16,310	3.5%	4.3%	6.0%
2003	28,329	62,681	732,984,546	25,874	564	15,987	3.5%	4.7%	5.8%
2002	27,878	60,804	698,873,582	25,069	370	15,727	2.4%	3.5%	4.7%

Data Sources:

- (1) 2011 data based on 2010 U.S. Census, all other years trended based on 2005 NH Office of State Planning population estimates.
- (2) 2011 data based on 2010 U.S. American Community Survey, all other years trended based on 2000 and 1990 U.S. Census data.
- (3) Estimated based on trended population and per capita personal income.
- (4) US Bureau of Labor Statistic - calendar year annual averages not seasonally adjusted.
Reflects calendar year ending during fiscal year (mid-fiscal year).

City of Dover, New Hampshire

Principal Employers Current Year and Nine Years Ago

Employer	Type of Business	2011			2002 (2)		
		Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Liberty Mutual Insurance Co	Insurance	2,639	1	14.88 %	1,177	1	7.48 %
Wenworth Douglas Hospital	Hospital	796	2	4.49	1,048	2	6.66
City of Dover (FTEs)	Municipality	686	3	3.87	760	3	4.83
Strafford County	County Government	487	4	2.75			
Measured Progress	Scholastic testing	429	5	2.42			-
Churchill Medical Systems	Manufacturer - medical kits	206	6	1.16			-
Fosters Daily Democrat	Newspaper	109	7	0.61	200	6	1.27
Park Nameplate	Nameplates for auto/cosmetics	98	8	0.55			-
Hirel Systems	Manufacturer - Electronics	83	9	0.47			-
Deil Services (Perot Systems)	Defense Tech System Contractor	77	10	0.43			-
Electrocraft (EAD Motors)	Electric motors & fans				150	7	0.95
Goss (previously Heidelberg Harris)	Manufacturer - Presses				600	4	3.82
Moore Business Forms	Form handling equipment				300	5	1.91
Total Principal Employers		5,610		31.62 %	4,235		26.93 %
Total City Employment (1)		17,740			15,727		

Data Source:

Final Official Statements for City of Dover bond issues and information provided by City's Economic Development Office.

Notes

(1) US Bureau of Labor Statistics calendar year annual average ending during fiscal year

(2) Numbers 8 9 and 10 unavailable at this time

City of Dover, New Hampshire

Operating Indicators by Function Last Ten Fiscal Years

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Finance										
Taxable property parcels assessed	8,735	8,888	9,009	9,103	9,187	9,552	9,685	9,808	9,825	9,899
Property transfers processed	1,038	1,146	1,194	1,170	1,198	977	781	712	689	740
Motor vehicles registered	29,190	29,990	30,622	30,775	30,210	30,247	29,840	27,665	28,334	29,280
Inspection Services Division										
Number of inspections conducted (1)	589	640	637	623	782	1,214	1,278	4,227	5,112	4,598
Building Permits Issued	646	629	654	572	531	522	398	349	396	358
Estimated construction value in millions	\$ 51.25	\$ 42.87	\$ 55.95	\$ 45.88	\$ 53.58	\$ 74.20	\$ 53.51	\$ 33.74	\$ 29.82	\$47.90
Police (2)										
Physical arrests	1,559	1,585	1,252	1,245	1,349	1,469	1,213	908	789	844
Traffic violations	2,210	1,603	1,466	1,313	1,400	1,319	1,686	1,326	1,138	1,134
Parking violations	10,063	7,983	8,472	8,374	8,499	10,507	8,522	7,795	7,720	6,679
Fire and Rescue										
Calls answered	5,078	5,077	4,794	5,147	5,021	5,085	5,146	5,018	5,549	5,347
Emergency Responses	2,728	2,797	3,038	3,197	3,200	3,712	3,923	3,844	4,244	4,859
Fires extinguished	135	135	104	72	101	101	152	277	306	286
Emergency medical responses	1,896	1,949	2,144	2,224	2,175	2,441	2,692	2,349	2,614	2,945
Community services - Public Works										
Refuse collected (tons)	4,750	4,880	5,000	4,998	5,853	5,267	5,407	4,919	3,941	3,546
Recycling (tons)	2,820	2,875	2,060	2,823	3,017	4,255	3,036	2,532	2,518	2,493
Streets resurfaced (miles)	5.5	5.5	6.0	4.5	13.1	8.0	2.6	6.9	3.0	2.9
Public Library										
Volumes in collections	94,274	99,992	101,114	99,321	100,247	103,884	104,004	107,701	104,639	104,974
Total volumes borrowed	265,225	267,448	274,052	270,692	278,396	279,332	290,402	299,346	288,512	296,225
Human Services - General Assistance										
Number of contacts	2,366	2,421	3,328	3,935	4,956	4,010	4,763	4,987	6,362	6,308
Assisted cases	456	580	610	650	698	664	685	685	1,651	1,924
Water system:										
Water main breaks	NA	NA	NA	4	2	13	18	16	16	1
Daily average consumption (millions of gallons)	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.5	2.8	3.0
Peak daily consumption (millions of gallons)	3.9	3.4	3.2	3.4	3.4	3.6	3.6	3.5	3.2	3.7
Sewage System:										
Daily average treatment (millions of gallons)	2.7	2.7	2.7	2.6	2.8	2.8	2.9	3.1	2.6	2.5

Data Source:
Various city departments

Notes

- (1) In FY 2009 the Building Inspection Division and Fire Inspection Division were combined into one Division.
- (2) Calendar year ending during the fiscal year

City of Dover, New Hampshire

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of patrol units	10	10	10	10	10	10	10	9	9	9
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	3	3	3
Number of ladder trucks	2	2	1	1	1	2	2	2	2	2
Number of pumpers	4	4	4	4	4	3	3	4	4	4
Number of support vehicles	6	5	5	5	5	6	6	6	6	6
Number of ambulances	3	3	3	3	3	3	3	3	3	3
Community Services - Public Works										
Miles of streets	130	131	131	131	132	132	133	133	133	133
Miles of storm drains	56	57	57	64	65	67	67	69	69	69
Number of street lights	1,825	1,831	1,836	1,770	1,773	1,773	1,777	1,776	1,776	1,771
Number of bridges	11	11	11	11	11	11	11	11	12	12
Recreation:										
Community centers	2	2	2	2	2	1	1	1	1	1
Number of parks	15	16	17	18	18	18	18	25	25	25
Park acreage	210	236	250	274	274	274	274	235	235	235
Playgrounds	9	10	11	11	12	12	12	15	15	15
Baseball/softball fields	7	8	10	10	10	10	10	6	6	6
Football/soccer fields	4	5	7	7	7	7	7	2	2	2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	9	9	9	9	9	9	9	10	10	10
Indoor gyms	2	2	2	2	2	1	1	1	1	1
Indoor ice skating sheets	2	2	2	2	2	2	2	2	2	2
Water system:										
Miles of water mains	133	133	134	148	149	151	155	153	153	153
Number of service connections	7,500	7,656	7,900	7,993	8,040	8,124	8,156	8,218	8,270	8,321
Storage capacity in gallons (millions of gallons)	5	5	5	5	5	5	5	5	5	5
Maximum daily capacity of plant (millions of gallons)	3.4	3.4	3.4	3.4	3.4	4	5	5	5	5
Number of fire hydrants	NA	960	960	967	1,050	1,093	1,107	1,107	1,107	1,130
Sewage System:										
Miles of sanitary sewers	112	112	112	117	117	120	120	120	120	122
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	6,387	6,488	6,700	7,154	7,215	7,332	7,398	7,464	7,542	7,569
Maximum daily capacity of treatment (millions of gallons)	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7

Data Source:
Various city departments

City of Dover, New Hampshire

City Government Employees by Function - Full Time Equivalents Last Ten Fiscal Years

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Executive (1)	11.8	12.7	11.4	13.5	12.6	12.9	13.7	12.7	8.0	8.1
Finance (1)	15.7	15.7	16.0	16.0	16.0	16.0	16.0	16.0	20.0	20.0
Planning (2)	8.9	9.5	10.0	10.0	10.6	10.6	9.6	5.5	4.8	5.5
Total General Government	36.4	37.8	37.4	39.5	39.2	39.5	39.3	34.2	32.8	33.6
Public Safety										
Police - Sworn Officers	53.6	54.6	54.6	54.6	55.7	52.6	50.5	48.4	47.4	47.4
Police - Non-sworn employees	23.5	24.0	24.0	24.5	25.6	27.1	27.6	25.6	26.8	29.4
Total Police Department	77.1	78.7	78.7	79.1	81.3	79.7	78.1	74.0	74.2	76.8
Fire and Rescue (2)	48.9	48.9	50.3	50.3	54.6	54.6	54.6	61.1	61.7	61.7
Total Public Safety	126.0	127.6	128.9	129.5	135.8	134.3	132.7	135.1	135.9	138.5
Public Works										
General Fund functions (3)	44.5	44.6	43.5	43.4	43.8	39.4	38.5	36.6	37.3	35.6
Water	13.5	13.5	13.5	13.5	13.5	13.0	13.0	13.0	11.0	10.5
Sewer (4)	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	17.0	17.0
Fleet maintenance	5.9	5.9	5.9	6.0	6.0	5.7	5.0	5.0	5.0	5.0
Total Public Works	79.9	80.0	78.9	78.9	79.3	74.2	72.5	70.6	70.3	68.1
Culture and Recreation										
Recreation (3)	36.7	36.5	33.8	34.4	33.5	33.1	34.9	34.8	36.2	34.4
Public Library	15.4	15.7	15.6	15.5	15.8	15.8	14.8	13.8	13.5	13.4
Total Culture and Recreation	52.1	52.1	49.3	49.9	49.2	48.9	49.7	48.6	49.7	47.8
Human Services										
Welfare (5)	5.4	5.4	5.4	5.3	2.8	2.8	2.8	2.8	2.8	2.8
Total Human Services	5.4	5.4	5.4	5.3	2.8	2.8	2.8	2.8	2.8	2.8
Total All Functions	299.7	302.9	299.9	303.0	306.4	299.5	297.0	291.3	291.5	290.8
Percent of Total										
General Government	12.2%	12.5%	12.5%	13.0%	12.8%	13.2%	13.2%	11.7%	11.2%	11.6%
Public Safety	42.0%	42.1%	43.0%	42.7%	44.3%	44.8%	44.7%	46.4%	46.6%	47.6%
Public Works	26.6%	26.4%	26.3%	26.0%	25.9%	24.8%	24.4%	24.2%	24.1%	23.4%
Culture and Recreation	17.4%	17.2%	16.5%	16.5%	16.1%	16.3%	16.7%	16.7%	17.1%	16.4%
Human Services	1.8%	1.8%	1.8%	1.7%	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Budgeted Positions per City of Dover Budget. Full time equivalent based on 40 hours per week.

Notes

- (1) The City Clerk Office was transferred from Executive Department to Finance Department in FY10.
- (2) The Building Inspection Division of the Planning Department was transferred to the Fire and Rescue Department in FY09.
- (3) A reorganization of personnel occurred in 1996 concentrating maintenance workers to Public Works.
- (4) The operations of the Wastewater Treatment Plant were taken over from a private firm in 2000 after a 5 year contract.
- (5) The Youth Resource Div of Human Services was transferred to the Police Dept in FY06.

City of Dover, New Hampshire

School Building Information Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Garrison Elementary										
Square feet	49,678	49,678	49,678	55,178	65,938	65,938	65,938	65,938	65,938	65,938
Teachers	31.0	30.0	31.3	24.9	25.5	31.5	31.5	33.7	34.4	28.3
Capacity	612.5	612.5	612.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5
Enrollment	496.0	440.0	428.0	400.0	379.0	512.0	523.0	541.0	536.0	555.0
Horne Street Elementary										
Square feet	48,236	48,236	48,236	48,236	48,236	48,236	48,236	48,236	48,236	58,223
Teachers	22.8	25.3	23.8	26.4	24.4	22.4	22.4	25.5	24.2	28.3
Capacity	612.5	612.5	612.5	612.5	612.5	612.5	612.5	612.5	612.5	620.5
Enrollment	334.0	391.0	435.0	447.0	474.0	358.0	370.0	365.0	370.0	400.0
Woodman Park Elementary										
Square feet	73,108	73,108	73,108	73,108	73,108	105,178	105,178	105,178	105,178	105,178
Teachers	26.0	33.0	27.5	29.8	30.8	32.3	32.3	28.9	30.6	32.3
Capacity	477.5	477.5	477.5	477.5	477.5	594.0	594.0	594.0	594.0	594.0
Enrollment	446.0	462.0	479.0	460.0	454.0	468.0	482.0	506.0	537.0	575.0
Totals All Elementary Schools										
Square feet	171,022	171,022	171,022	176,522	187,282	219,352	219,352	219,352	219,352	219,352
Teachers	79.8	88.3	82.6	81.1	80.7	86.2	86.2	88.1	89.2	88.9
Capacity	1,702.5	1,702.5	1,702.5	1,762.5	1,762.5	1,879.0	1,879.0	1,879.0	1,879.0	1,887.0
Enrollment	1,276.0	1,293.0	1,342.0	1,307.0	1,307.0	1,338.0	1,375.0	1,412.0	1,443.0	1,530.0
Dover Middle School (1)										
Square feet	164,000	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020
Teachers	67.0	69.2	73.5	67.7	75.0	72.9	72.9	67.7	66.4	67.7
Capacity (2)	1,220.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0
Enrollment	1,086.0	1,137.0	1,142.0	1,098.0	1,082.0	1,109.0	1,116.0	1,094.0	1,077.0	1,084.0
Dover High School										
Square feet	215,975	226,735	226,735	226,735	226,735	226,735	226,735	226,735	226,735	226,735
Teachers	102.6	106.8	107.4	110.6	110.4	116.8	116.8	116.8	112.8	113.3
Capacity	1,600.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0
Enrollment	1,670.0	1,682.0	1,742.0	1,658.0	1,666.0	1,779.0	1,692.0	1,728.0	1,649.0	1,573.0
Totals All Schools										
Square feet	550,997	572,777	572,777	578,277	589,037	621,107	621,107	621,107	621,107	621,107
Teachers	249.4	264.3	263.5	259.4	266.1	275.9	275.9	272.6	268.4	269.9
Capacity (2)	4,522.5	4,842.5	4,842.5	4,902.5	4,902.5	5,019.0	5,019.0	5,019.0	5,019.0	5,027.0
Enrollment	4,032.0	4,112.0	4,226.0	4,063.0	4,255.0	4,226.0	4,183.0	4,234.0	4,169.0	4,187.0
Food Service - All Schools										
Number Meals Served	336,015	341,679	352,406	351,783	333,139	340,863	335,834	341,272	355,209	358,754
Avg Daily Participation	1,867	1,898	1,958	1,954	1,851	1,894	1,866	1,896	1,973	1,993

Data Source:

School Department - as of official NH Department of Education reporting date: Oct 1st

Notes

- (1) In 2001 a new Middle School replaced the Junior High School/Middle School. Grades changed from 6th through 8th to 5th through 8th.
- (2) Capacity of old Middle School is not known.

City of Dover, New Hampshire

School Department Operating Statistics Last Ten Fiscal Years

Fiscal Year	Operating Budget (1)	Debt Service (1)	Total Budget	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Attendance Percentage
2011	\$ 40,468,900	\$ 4,245,221	\$ 44,714,121	4,187	\$ 10,679	-0.2%	269.9	15.5	94.7%
2010	40,699,081	3,934,140	44,633,221	4,169	10,706	5.5%	268.4	15.5	94.6%
2009	39,216,997	3,761,337	42,978,334	4,234	10,151	2.1%	272.6	15.5	94.6%
2008	37,912,706	3,689,854	41,602,560	4,183	9,946	7.8%	275.0	15.2	95.2%
2007	36,203,218	2,799,270	39,002,488	4,226	9,229	6.2%	275.9	15.3	94.6%
2006	34,363,074	2,598,888	36,961,962	4,255	8,687	2.3%	266.1	16.0	94.5%
2005	32,065,504	2,448,119	34,513,623	4,063	8,495	8.0%	259.4	15.7	95.2%
2004	30,922,459	2,316,331	33,238,790	4,226	7,865	1.3%	263.0	16.1	94.8%
2003	29,751,613	2,178,843	31,930,456	4,112	7,765	5.0%	264.3	15.6	95.0%
2002	27,670,695	2,148,055	29,818,750	4,032	7,396	11.0%	249.4	16.2	NA

Data Source:

Budget information from City Adopted Budget and non-financial information provided by the School Department.

Notes:

- (1) Budget is for the General Fund only and excludes grant funds and cafeteria fund.
- (2) Enrollment is based on start of year census.

City of Dover, New Hampshire

School Educational and Service Information Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Dover High School										
Senior Enrollment (1)	314	344	357	355	353	411	393	391	382	350
Status of Seniors (2)										
Graduated	287	333	352	336	335	372	366	352	378	337
Enrolled in four-year college	121	160	143	141	140	167	162	180	177	158
Enrolled in two-year college	54	57	68	74	60	76	84	70	88	63
Enlisted in Armed Forces	12	11	16	10	10	5	18	10	14	11
Post-secondary, workforce or other	100	105	125	104	125	124	102	92	99	105
SAT Mean Scores										
Verbal	508	519	515	518	503	518	512	497	500	495
Math	510	518	511	516	504	520	517	507	508	501
% of Seniors taking test	62%	65%	65%	65%	62%	61%	62%	63%	60%	61%

Data Source:

School Department - as of official NH Department of Education reporting date: Oct 1st

NOTES:

- (1) As of Official DOE Reporting Date: Oct 1st. Enrollment includes tuition students.
- (2) As of end of fiscal year.

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